

# FEDERAL REGISTER

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## Regulations

### TITLE 5—ADMINISTRATIVE PERSONNEL

#### Chapter I—Civil Service Commission

#### PART 25—FORMAL EDUCATION REQUIREMENTS FOR APPOINTMENT TO CERTAIN SCIENTIFIC, TECHNICAL AND PROFESSIONAL POSITIONS

#### MATHEMATICIAN P-2 THROUGH P-8 WHERE THE DUTIES INVOLVE HIGHLY COMPLICATED OR FUNDAMENTAL SCIENTIFIC RESEARCH OR SIMILAR DIFFICULT SCIENTIFIC DUTIES

For the reasons set forth in the accompanying justification the following position is added to the list of positions in § 25.1 (a) for which formal educational requirements have been prescribed.

#### § 25.1 Positions for which formal education requirements prescribed.

**Educational requirement:** The successful completion of a four-year course in a college or university of recognized standing leading to a bachelor's degree in mathematics. This study must have included courses in mathematics consisting of lectures and recitations totaling at least 24 semester hours and in addition courses in the physical sciences (engineering, physics, geology, astronomy, chemistry, etc.) totaling 12 semester hours. The courses must have included analytical geometry, differential calculus, integral calculus and in addition any 3 of the following: Theory of Equations, Vector Analysis, Statistics, Higher Algebra (beyond elementary college algebra), Differential Equations, Advanced Differential Calculus, Advanced Integral Calculus.

**Duties:** The duties of the P-2 to P-8 mathematician are: performing, conducting, planning, or directing mathematical work involving calculations and computations incident to investigative, developmental and research work in the scientific fields such as engineering, physics, astronomy, etc.; collecting, examining and interpreting scientific data; coordinating assignments and programs; planning mathematical procedures for scientific field trips; preparing reports and manuals, and editing or preparing articles for publication.

Those positions requiring the successful completion of four years of college or university training are characterized as follows:

Critical investigative work requiring a sound knowledge of the fundamental laws, theories, principles and terminology of math-

ematics and related sciences and having for its objective the development of new or improved methods of analysis, the development or extension of new theories or principles, or a new interpretation of known facts, leading to a revision of accepted theories and laws.

The application in new ways of known complex mathematical laws and facts to the development of new techniques or devices.

The coordination of a broad research program requiring the combined efforts of several specialists in different scientific fields. The leader of such a program must have an understanding of the mathematical principles, procedures and potentialities of the scientific fields involved, and the ability to coordinate the activities of the various specialists.

**Knowledge and training requisite for performance of duties:** The urgent need for fundamental research and developmental work in all scientific fields in order to safeguard and improve the nation's security, and general welfare is apparent. The Congress of the United States has recognized the vital necessity for such scientific research and developmental work and has authorized through appropriations the spending of large sums of money for varied and important research programs. These programs are carried on by the various departments and agencies of the Federal government and have resulted in very notable achievements in scientific research during World War II.

The advances in the various sciences during World War II have been outstanding and of major importance. Especially in the fields of physical science and of engineering have these advances been dependent upon and interrelated to mathematics in all its branches. Mathematics is an indispensable tool in expressing basic laws and concepts in these fields, in interpreting experimental data, in extending old or establishing new concepts of matter and energy, and in establishing basic hypotheses for experimental work in new fields. Further advances in the physical sciences and in engineering will depend on the number of highly qualified and properly trained mathematicians who are competent to explore from a mathematical standpoint the particular field in which a research problem is centered. Concurrent with these advances in the fields of science is the flow of new scientific knowledge, so that persons engaged in highly complicated mathematical computations in a specialized field must of necessity possess the fundamental knowledge characteristic of mathematics and in addition that of pertinent allied fields in order that they may successfully attack complex problems.

Private industry requiring mathematicians for research positions has long recognized the necessity for broadly trained men for professional mathematics positions who are well

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grounded in the fundamentals of the sciences involved. They are required to have education represented by at least the attainment of a bachelor's degree in mathematics and, in many cases, a higher degree with specialization in a particular field is demanded.

*Method of obtaining the basic knowledge and training:* The above are statements of the minimum knowledge and training required to carry on successfully professional research work in the field of mathematics. The only method by which such knowledge and training may be acquired is by attending a college or university where competent instruction and guidance are available, where courses are arranged in a systematic progressive schedule and where adequate laboratory facilities and libraries are provided, and where objective evaluations are made of a

person's progress in acquiring professional and scientific information.

(Sec. 5, 58 Stat. 388, 5 U. S. C. Sup. 854)

[SEAL] UNITED STATES CIVIL SERVICE COMMISSION,  
H. B. MITCHELL,  
President.

[F. R. Doc. 46-21720; Filed, Dec. 18, 1946; 8:49 a. m.]

## TITLE 7—AGRICULTURE

## Chapter VII—Production and Marketing Administration (Agricultural Adjustment)

## PART 725—BURLEY AND FLUE-CURED TOBACCO

PROCLAMATION OF RESULTS OF BURLEY TOBACCO MARKETING QUOTA REFERENDUM FOR THREE MARKETING YEARS BEGINNING OCTOBER 1, 1947

§ 725.307 *Proclamation of results of the Burley tobacco marketing quota referendum for the three marketing years beginning October 1, 1947.* In a referendum of farmers engaged in the production of the 1946 crop of Burley tobacco held on October 25, 1946, 135,326 farmers voted. Of those voting, 129,734 or 95.9 percent favored quotas for a period of three years beginning October 1, 1947; 2,308 or 1.7 percent favored quotas for one year beginning October 1, 1947; and 3,284 or 2.4 percent were opposed to quotas. Therefore, the national marketing quota of 490,000,000 pounds proclaimed on October 1, 1946 (11 F. R. 11441) for Burley tobacco for the 1947-48 marketing year will be in effect for such year and marketing quotas on Burley tobacco will be in effect for the three marketing years beginning October 1, 1947.

(52 Stat. 46; 54 Stat. 392; 7 U. S. C. 1312 (b))

Done at Washington, D. C., this 13th day of December 1946. Witness my hand and the seal of the Department of Agriculture.

[SEAL] CLINTON P. ANDERSON,  
Secretary of Agriculture.

[F. R. Doc. 46-21681; Filed, Dec. 18, 1946; 8:54 a. m.]

## Chapter XI—Production and Marketing Administration (War Food Distribution Orders)

[WFO 51, Amdt. 5]

## PART 1490—MISCELLANEOUS FOOD PRODUCTS

## MANUFACTURE, DELIVERY, AND USE OF EDIBLE MOLASSES

War Food Order No. 51, as amended (11 F. R. 12282), is further amended by deleting paragraph (c) (1) and inserting in lieu thereof the following:

(c) *Distribution by distributors.* (1) No person shall accept delivery of edible molasses as a distributor without first having reported in writing, to the Ad-

ministrator, that he is a distributor as defined in paragraph (a) (7).

This amendment shall become effective at 12:01 a. m., e. s. t., December 16, 1946. With respect to violations, rights accrued, liabilities incurred, or appeals taken, prior to said date, under War Food Order No. 51, as amended, all provisions of said order shall be deemed to remain in full force for the purpose of sustaining any proper suit, action, or other proceeding with respect to any such violation, right, liability, or appeal.

(E. O. 9280, December 5, 1942, 7 F. R. 10179; E. O. 9577, June 29, 1945, 10 F. R. 8087)

Issued this 13th day of December 1946.

[SEAL] CLINTON P. ANDERSON,  
Secretary.

[F. R. Doc. 46-21682; Filed, Dec. 18, 1946; 8:54 a. m.]

## TITLE 10—ARMY: WAR DEPARTMENT

## Subtitle A—Organization Functions and Procedures

## PART 2—ORGANIZATION, FUNCTIONS AND PROCEDURES OF AGENCIES DEALING WITH THE PUBLIC

## TRANSPORTATION CORPS

Pursuant to the provisions of section 3 (a) (1) and (2) of the Administrative Procedure Act of 11 June 1946, § 2.151 (11 FR 177A-791) is amended in the following respects:

1. Paragraph (b) (10) is superseded and subparagraph (19) pertaining to industrial mobilization planning division is added as follows:

§ 2.151 *The Transportation Corps.*

(b) *Organization.* \* \* \*

(10) *Supply Division.* Exercise staff supervision over the Transportation Corps supply control system and compiles and prepares requirements of items of equipment and supply for the Transportation Corps, including that required for international and interservice use; exercise staff supervision at War Department level over the storage and issue of all Transportation Corps supplies and equipment (except wet storage items of floating equipment) and over-all storage-maintenance activities of the Transportation Corps (except marine and rail repair shops); exercises staff supervision over all Transportation Corps procurement (except research, development and services); exercises staff supervision over the termination and settlement of procurement contracts, the distribution and disposition of excess or surplus Transportation Corps property (except floating equipment), and over the salvage activities of the Transportation Corps; and renegotiates contracts assigned to the Transportation Corps by the War Contracts Price Adjustment Board in accordance with policies prescribed in the Renegotiation Act of 1942, as amended by the Renegotiation Act of 1943.



(19) *Industrial Mobilization Planning Division.* Staff supervision and coordination of matters pertaining to industrial mobilization and procurement planning. Supplies liaison with Army-Navy Munitions Board.

2. Section 2.151 is further amended by designating the text immediately following the headnote of paragraph (c) (2) as subdivision (i) and by adding subdivision (ii) to read as follows:

(c) *Supports.* \* \* \*

(2) *Transportation Corps supply depots and Transportation Corps sections of general depots.* (i) \* \* \*

(ii) The Marietta Transportation Corps Depot, Marietta, Pennsylvania, likewise is responsible for procuring equipment and supplies for the Transportation Corps as a whole, and serves as the control agency for production of such equipment and supplies.

(R. S. 161, 5 U. S. C. 22)

[SEAL] EDWARD F. WITSELL,  
Major General,  
The Adjutant General.

[F. R. Doc. 46-21701; Filed, Dec. 18, 1946;  
8:46 a. m.]

## TITLE 16—COMMERCIAL PRACTICES

### Chapter I—Federal Trade Commission

[Docket No. 5450]

#### PART 3—DIGEST OF CEASE AND DESIST ORDERS

ATHEA RESEARCH & PROCESSING LABORATORY  
ET AL.

§ 3.6 (a) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Qualifications and abilities:* § 3.6 (m 10) *Advertising falsely or misleadingly—Manufacture or preparation:* § 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of product or service.* In connection with the offering for sale, sale or distribution of the hand lotion preparation "Athea" or any product of substantially similar composition or possessing substantially similar properties, whether sold under the same name or under any other name, disseminating, etc., any advertisements by means of United States mail, or in commerce, or by any means to induce, etc., directly or indirectly, the purchase in commerce, etc., of said hand lotion preparation "Athea", which advertisements represent, directly or by implication, (a) that said preparation will afford significant protection to the hands of industrially employed individuals; (b) that said preparation will provide a protective barrier against dirt, grease and other foreign elements which contact the hands of industrially employed individuals; (c) that the use of said preparation will replace the natural oils of the skin; (d) that said preparation will protect the hands from infection or irritation; (e) that the product is antiseptic when a small amount thereof is rubbed into the skin of the hands; (f) that the individuals manufacturing said prepara-

tion possess complete knowledge of the skin; or, (g) that heretofore unused principles of physics and mechanical design are used in the manufacture of said preparation; prohibited. (Sec. 5, 38 Stat. 719 as amended by sec. 3, 52 Stat. 112; 15 U. S. C. sec. 45b) [Cease and desist order, Athea Research & Processing Laboratory et al., Docket 5450, November 26, 1946]

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 26th day of November A. D. 1946.

*In the Matter of Haswell T. Bonfield and Theo. Trecker, Individually and as Co-partners Trading as Athea Research & Processing Laboratory and Bert S. Gittins, Trading Under His Own Name*

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of the respondents, in which answer respondents admit all the material allegations of fact set forth in said complaint and state that they waive all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

*It is ordered,* That the respondents, Haswell T. Bonfield and Theo. Trecker, individually and as co-partners trading as Athea Research & Processing Laboratory or trading under any other name or names, and Bert S. Gittins, trading under his own name, or trading under any other name or names, their representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of the hand lotion preparation "Athea" or any product of substantially similar composition or possessing substantially similar properties, whether sold under the same name or under any other name, do forthwith cease and desist from:

(1) Disseminating or causing to be disseminated any advertisement by means of United States mail or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents, directly or by implication:

(a) That said preparation will afford significant protection to the hands of industrially employed individuals;

(b) That said preparation will provide a protective barrier against dirt, grease and other foreign elements which contact the hands of industrially employed individuals;

(c) That the use of said preparation will replace the natural oils of the skin;

(d) That said preparation will protect the hands from infection or irritation;

(e) That the product is antiseptic when a small amount thereof is rubbed into the skin of the hands;

(f) That the individuals manufacturing said preparation possess complete knowledge of the skin;

(g) That heretofore unused principles of physics and mechanical design are

used in the manufacture of said preparation.

(2) Disseminating or causing to be disseminated any advertisement by any means for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase in commerce as "commerce" is defined in the Federal Trade Commission Act of said hand lotion preparation "Athea", which advertisements contain any of the representations prohibited in paragraph 1, hereof.

*It is further ordered,* That the respondents and each of them shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

By the Commission.

[SEAL]

OTIS B. JOHNSON,  
Secretary.

[F. R. Doc. 46-21700; Filed, Dec. 18, 1946;  
8:51 a. m.]

## TITLE 19—CUSTOMS DUTIES

### Chapter I—Bureau of Customs, Department of the Treasury

#### PART 1—CUSTOMS DISTRICTS AND PORTS; DELEGATION OF POWERS TO COMMISSIONER OF CUSTOMS

CROSS REFERENCE: For an amendment of T. D. 50192 of July 12, 1940 (19 CFR 1.21, 5 F. R. 2573), as amended by T. D. 51479 (11 F. R. 7128), relating to the organization of the Bureau of Customs, the rights, privileges, powers, and duties of the Commissioner of Customs, and the duties of the personnel of customs, see Part 100 of this chapter, *infra*.

[T. D. 51585]

#### PART 4—VESSELS IN FOREIGN AND DOMESTIC TRADES

##### EQUIPMENT AND REPAIRS TO AMERICAN VESSELS

Section 4.14 *Equipment and repairs to American vessels*, Customs Regulations of 1943 (19 CFR, Cum. Supp., 4.14, is hereby amended as follows:

1. Paragraph (d) is amended to read as follows:

(d) When the entry has been completed by the filing of proper evidence of cost and no application for relief as provided for in paragraph (e) of this section, has been filed within the time authorized or, if filed, has been finally acted upon, or the collector is informed that no such application will be filed, the entry shall be liquidated.

2. Paragraph (e) is amended to read as follows:

(e) An application for relief may be filed with the collector of customs alleging (1) that an item covered by the entry is not within the class of items liable to duty under section 3114, Revised Sta-



tutes, (2) that such item is within the provisions of section 3115, Revised Statutes, or (3) both of the foregoing. To insure consideration in liquidation of the entry, the application shall be filed within 90 days from the date of the entry and, unless the collector is definitely advised that no application will be filed, the liquidation shall be suspended for that period of time to afford an opportunity for such filing. In meritorious cases the collector may authorize a further suspension of 90 days upon the written request therefor. Inasmuch as an unprotested liquidation, insofar as it relates to the classification of items for the purposes of section 3114, Revised Statutes, is final at the expiration of 60 days, a subsequent application in regard to such classification cannot be considered in the absence of a timely protest.

3. Paragraph (f) is deleted.

4. Paragraph (g) is redesignated (f) and the first sentence thereof is amended by deleting "Commissioner of Customs" and substituting therefor "collector of customs", by deleting "accompanied by the entry", and by deleting "all in duplicate" and substituting therefor "all of which shall be in duplicate if the vessel is owned or operated by the United States Maritime Commission, or a similar agency of the United States".

5. Paragraph (h) is redesignated (g) and is amended by deleting "Commissioner of Customs in duplicate" and substituting therefor "collector of customs".

6. Paragraph (i) is redesignated (h) and is amended by deleting "(g) and (h)" and substituting therefor "(f) and (g) of this section", and by adding the following sentence: "If such evidence is not received within the 90-day period the entry shall be liquidated without regard to the application unless the collector of customs shall have approved an extension of such period."

7. Paragraph (j) is redesignated (i) and amended by deleting the matter following the word "translation" in the second sentence and substituting therefor "certified to be accurate."

8. Two new paragraphs are added reading as follows:

(j) When the evidence referred to in paragraphs (f), (g), or (h) of this section has been received and examined by the collector of customs he shall notify the owner or operator of the vessel, or other party in interest, of his decision, but if any doubt exists the case shall first be referred to the Bureau for advice. Thirty days after the date of such notice the collector shall proceed to liquidate the entry unless within that period the owner or operator of the vessel, or other party in interest, shall file a petition as provided for in paragraph (k) of this section.

(k) The owner or operator of the vessel involved, or other party in interest, may file with the collector of customs a petition addressed to the Commissioner of Customs for a review of the collector's decision on an application claiming relief under section 3115, Revised Statutes (paragraphs (e) (2) or (3) of this section). Such petition shall be filed in

duplicate within 30 days from the date of the notice of the collector's decision, shall completely identify the case, and shall set forth in detail the exceptions to the collector's decision. When such a petition has been filed, the collector shall immediately transmit both copies thereof and the entire file to the Bureau, together with any comments he may desire to submit. When the Commissioner's decision has been received the entry shall be liquidated in accordance therewith.

(R. S. 251, sec. 3, 44 Stat. 1382, secs. 466, 498, 624, 643, 46 Stat. 719, 728, 759, 761; 5 U. S. C. 281 b, 19 U. S. C. 66, 258, 1498, 1624, 1643)

[SEAL]

FRANK DOW,

Acting Commissioner of Customs.

Approved: December 11, 1946.

E. H. FOLEY, Jr.,

Acting Secretary of the Treasury.

[F. R. Doc. 46-21695; Filed, Dec. 18, 1946; 8:51 a. m.]

[T. D. 51584]

#### PART 100—ORGANIZATION, FUNCTIONS, AND PROCEDURES OF THE BUREAU OF CUSTOMS

##### DELEGATION OF AUTHORITY

DECEMBER 11, 1946.

T. D. 50192, of July 12, 1940 (5 F. R. 2573), as amended by T. D. 51479 (11 F. R. 7128), quoted in 19 CFR 100.3 (a) (11 F. R. 177A-20), relating to the organization of the Bureau of Customs, the rights, privileges, powers, and duties of the Commissioner of Customs, and the duties of the personnel of customs, is hereby further amended as follows:

Subdivision I (1) of § 100.3 (a) is amended by adding thereto a new paragraph reading as follows:

#### § 100.3 Delegation of authority.

(a) \* \* \*

I—Rights, privileges, powers, and duties conferred or imposed upon the Commissioner of Customs. (1) \* \* \*

(i) Duties accruing under section 3114, Revised Statutes of the United States, as amended by section 466, Tariff Act of 1930, relating to equipment and repairs of vessels, may be remitted or refunded by the collector of customs concerned, under the conditions specified in section 3115, Revised Statutes of the United States, as amended by section 466 of the tariff act, upon the receipt of an appropriate application for relief from such duties, but his refusal to remit or refund any such duties pursuant to a claim for relief under said section 3115, Revised Statutes, shall be subject to review by the Commissioner of Customs upon application therefor. The right and power so to remit or refund such duties is hereby conferred upon the several collectors and their successors in office.

(Secs. 1, 2, 3, 44 Stat. 1381, 1382, sec. 8, 46 Stat. 430, 46 Stat. 1009, secs. 643, 650, 46 Stat. 761, 762, sec. 1a, E. O. 6639; 5 U. S. C. 281, 281a, 281b, 19 U. S. C. 1643)

[SEAL]

E. H. FOLEY, Jr.,

Acting Secretary of the Treasury.

[F. R. Doc. 46-21694; Filed, Dec. 18, 1946; 8:49 a. m.]

#### TITLE 24—HOUSING CREDIT

##### Chapter VIII—Office of Housing Expediter

[Premium Payments Reg. 11, as Amended Dec. 12, 1946]

#### PART 805—PREMIUM PAYMENTS REGULATIONS UNDER VETERANS' EMERGENCY HOUSING ACT OF 1946

##### HOUSING NAILS

*Purpose and findings.* This general regulation is issued to stimulate additional production of housing nails by providing for premium payments with respect to units of additional production above established quotas. It describes how quotas are established, and the methods, procedures and conditions under which such payments may be obtained. This regulation is issued pursuant to the authority of the Veterans' Emergency Housing Act of 1946.

All available means of increasing the supply of housing nails for the veterans' emergency housing program and for other construction, maintenance and repair essential to the national well-being have been considered. Based on such consideration the Expediter finds that premium payments are temporarily necessary to increase the supply of such materials and to stimulate additional production with greater rapidity, economy, and certainty than other available methods. The payments of Premium A provided in the regulation are applied at a uniform rate throughout the industry as a whole. The necessity of avoiding economic dislocation and adverse effects on established business makes it necessary to provide a second premium, Premium B, available only to a segment of the industry. Premium B is applied at a uniform rate to the segment of the industry to which it is available.

Par.

- (a) Definitions.
- (b) Establishment of quota.
- (c) Application for quota.
- (d) Premium A.
- (e) Premium B.
- (f) Claim for payment.
- (g) Payment.
- (h) Records.
- (i) Reports.
- (j) Official interpretations.
- (k) Termination.
- (l) Effective date.

§ 805.11 Housing nails—(a) Definitions. As used in this section:

(1) "Nails" means nails of any length, in any gauge and in any finish, manufactured from carbon steel rod or carbon steel wire only, and commonly known to the industry as wire nails.

(2) "Housing nails" means nails 4 inches or less in length in any gauge and in any finish, manufactured from carbon steel rod or carbon steel wire only, and commonly known to the industry as wire nails.

(3) "Nail rod" means carbon steel rod 3 gauge, or finer, and suitable for nail wire or for the production of housing nails.

(4) "Nail wire" means carbon steel wire 4 gauge, or finer, and suitable for the production of housing nails.



(5) "Plant" means a manufacturing establishment for the production of housing nails, located within the United States, its Territories, possessions, or the District of Columbia.

(6) "Person" means an individual, corporation, partnership, association, or any other organized group of any of the foregoing, or legal successor or representative of any of the foregoing, but does not include the United States, any of its political subdivisions or any agency thereof, any other government, any of its political subdivisions or any agency thereof.

(7) "Producer" means a person who operates one or more plants.

(8) "New producer". A person who did not operate any plant for the production of housing nails prior to the effective date of this section shall be a new producer as to any plant operated for the production of housing nails which was not, prior to the effective date of this section, substantially completed as a plant capable of producing housing nails.

(9) "Integrated producer" means a producer who customarily manufactures the predominant portion of the nail rods or nail wire which he uses in producing housing nails, or who acquires such nail rods or nail wire from a company which he either owns or controls or which is under common control with him.

(10) "Non-integrated producer" means a producer who is not an integrated producer.

(11) "Supplier" means an integrated producer (or a manufacturer of nail rod or nail wire who does not manufacture nails) who sells to a non-integrated producer nail rod or nail wire which the seller has manufactured in his own plant or acquired from a company which he either owns or controls or which is under common ownership or control with him.

(12) "Month" means a calendar month, *Provided, however*, That any producer on whom this provision works a hardship may apply by letter to the Expediter, Washington, D. C., for authorization to submit his application for quota and claims for payments on the basis of a stipulated fiscal month. With respect to a producer who has received such authorization this section shall become effective on the first day of his fiscal month beginning on or after October 1, 1946, and shall terminate on the same date as this section terminates as to other producers.

(13) "Short ton" means 2000 pounds.

(14) "Production" means a producer's output of housing nails measured in short tons.

(15) "Shipments" means the number of short tons of housing nails manufactured in and shipped from a producer's plant.

(16) "Base period" means the period January 1, 1946 through June 30, 1946.

(17) "Premium A" means a premium payable under paragraph (d) of this section.

(18) "Premium B" means a premium payable under paragraph (e) of this section.

(19) "Claim" means a claim for payment filed pursuant to this section.

(20) "Expediter" means the Housing Expediter as defined in the Veterans'

Emergency Housing Act of 1946, or his duly authorized representative.

(21) "OHE" means the Office of the Housing Expediter.

(b) *Establishment of quota.* (1) For each producer who produced housing nails during the base period, the quota shall be the higher of the following:

(i) The average monthly production of the producer in the two months of his highest production in the base period.

(ii) Ninety percent of the production of the producer in the month of his highest production in the base period.

(2) The quotas of all other producers shall be established by the Expediter on application. *Provided, however*, That no such quota shall be established for a new producer which would result in the application of premium payments to more than 50 percent of his total monthly production of housing nails.

(3) If production is below quota in any month during which this section remains in effect, the producer's quota for the next succeeding month shall consist of the established quota for such month plus the amount of the preceding month's deficit: *Provided, however*, That if on the producer's application the Expediter determines that such deficit was due to unusual circumstances beyond the control of the producer such deficit shall not be added to the established quota. Such application for waiver of the deficit carry-over shall be made by filling out form NHA 14-122 and filing it as provided in paragraph (f) of this section.

(c) *Application for quota.* Every producer who wishes to receive premium payments under this section shall file promptly with the Expediter an application for the establishment of his quota. Application shall be made on form NHA 14-121 which may be obtained from the Manager, Loan Agency, Reconstruction Finance Corporation, Chicago, Illinois.

(d) *Premium A—(1) Eligibility.* A producer is eligible for Premium A under this section if he meets all of the following conditions:

(i) His production during the month covered by a claim is in excess of quota.

(ii) His shipments during the month covered by a claim exceed 75% of his production for that month; and his shipments during the month covered by a claim and the immediately preceding month exceed 90 percent of his combined production during those two months. *Provided, however*, That if on application by the producer on form NHA 14-122 the Expediter determines that the producer's failure to ship the required percentage of his production was due to unusual circumstances beyond the producer's control, the producer shall be eligible for Premium A.

(2) *Rate and computation of Premium A.* For each month covered by a claim, a producer shall be paid a premium at the rate of \$20 per short ton on all his production during that month in excess of quota.

(e) *Premium B—(1) Eligibility.* A supplier is eligible for Premium B on nail rod or nail wire which he delivered during any month subsequent to October 1946, to a non-integrated producer, for consumption in the non-integrated

producer's production of nails, provided that the supplier has received from each such non-integrated producer a certification on form NHA 14-127. Form NHA 14-127, which may be obtained from the Manager, Loan Agency, Reconstruction Finance Corporation, Chicago, Illinois, will contain the following certifications to the supplier, the Expediter and RFC:

(i) That the person making the certification is a non-integrated producer as defined in this section.

(ii) The total number of short tons of nail rod or wire received from the supplier during the month.

(iii) The number of short tons of such nail rod or wire which the non-integrated producer will consume in production of nails. Such tonnage must be equal to or greater than the tonnage which the non-integrated producer, at the time of placing his order, represented to the supplier would be so consumed.

*Provided further*, That no payment of Premium B shall be made to a supplier who is an integrated producer, as defined in this section, for deliveries of nail rod or wire made in any month in which the supplier has not exceeded his established quota, unless the Expediter, on the supplier's application to him on form NHA 14-122, has found that the supplier's failure to produce housing nails in excess of his quota during the month covered by his claim was due to unusual circumstances beyond the control of the supplier.

(2) *Rate and computation of Premium B.* Payments of Premium B shall be made at the rate of \$7.50 per short ton on the nail wire or rod which the supplier delivered pursuant to subparagraph (1) of this paragraph (e), during the month covered by the claim, to a non-integrated producer for consumption in the production of nails. The amount of payment shall be determined by multiplying by \$7.50 the number of short tons of nail rod or nail wire received from the supplier which the non-integrated producer has certified will be consumed in the production of nails.

(f) *Claim for payment.* (1) Each claim for Premium A or Premium B shall be filed on form NHA 14-122. These forms may be obtained from and must be filed with the Manager, Loan Agency, Reconstruction Finance Corporation, 208 South La Salle Street, Chicago 4, Illinois. A producer who claims both Premium A and Premium B for the same month shall incorporate both claims on the same form.

(2) A producer shall file each claim for Premium A on or before the last day of the month following the end of the month in which the housing nails were produced except that claims for October and November 1946 may be filed up to and including January 31, 1947. Any producer whose production in any month is insufficient to permit the payment of Premium A shall nevertheless file form NHA 14-122 with the Manager, Reconstruction Finance Corporation, 208 South La Salle Street, Chicago 4, Illinois, on or before the last day of the month following the month in which the deficit occurred (except that if the deficit occurred in October or November 1946 form NHA 14-122 may be filed up



to and including January 31, 1947) as an information return to indicate the amount of the deficit: *Provided, however*, That if such information return contains a request for waiver of the deficit carry-over provided in paragraph (b) (2) the information return shall be filed within 15 days of the end of the month in which the deficit occurred except that if the deficit occurred in October or November 1946 the information return may be filed up to and including January 15, 1947.

(3) A supplier, whether or not he is a producer as defined in this section, shall file each claim for Premium B on or before the last day of the month following the month in which he made the deliveries of nail rod and nail wire covered by his claim and shall file with his claim the certifications on form NHA 14-127 required by paragraph (e) of this section: *Provided, however*, That claims for the month of November, 1946, and accompanying certifications may be filed up to and including January 31, 1947.

(4) No claim under this section shall be assignable except as a part of the bona fide transfer of a producer's plants to a legal successor.

[Subparagraph (4) as amended shall become effective December 12, 1946]

(g) *Payment*—(1) *Review by RFC*. In reviewing claims, the RFC will determine whether such claims appear to have been correctly and properly prepared.

(2) *Terms of payment*. If the claim, or any part thereof is accepted by RFC subject to final verification, RFC will then pay the claimant that part of the claim so accepted: *Provided, however*, That with respect to claims for the last two months during which this section is in effect RFC may require that bond be furnished in form and amount satisfactory to it before making payment.

Preliminary acceptance and payment of a claim shall not constitute final acceptance of the validity or amount of the claim. If, after review or audit, there is cause to question the validity of any claim, RFC may:

(i) Require that bond be furnished in form and amount satisfactory to it before making further payments, or

(ii) Suspend further payments.

(3) *Verification of claims*. (i) Upon receipt of claims, RFC will forward copies to the Expediter for verification and such investigation or audit as may be deemed appropriate.

(ii) If the amount verified and approved by the Expediter is less than the amount previously paid, the claimant shall upon demand by RFC refund the overage to RFC together with interest thereon at the rate of 4% per annum calculated from the date of such overpayment to the date repayment is made to the RFC or such overage plus interest may be deducted from any accrued or subsequent claim for any payment by RFC to the claimant.

(4) *Invalidation of claims*. (a) The Expediter shall have the right at any time to declare invalid in whole or in part any claim of a producer, integrated or non-integrated, and such producer

shall upon demand refund to RFC any payment on such claim or part thereof if the Expediter finds that the producer:

(i) Has failed to comply with any of the requirements of this section, or,

(ii) Has failed to comply with directives, orders or regulations of the Civilian Production Administration or OHE on nails, nail rods or nail wire.

[This subdivision as amended (ii) shall become effective as of November 10, 1946]

(iii) Has failed, during any month subsequent to September 30, 1946, to maintain total production of nails of all sizes equal to or greater than his average monthly production of nails of all sizes during the base period, or,

(iv) Has failed, during any month subsequent to September 30, 1946, to maintain production of each of the following: wire bale ties, wire staples, screen wire mesh and stucco wire mesh equal to or greater than his average monthly production of these items during the base period.

(b) The Expediter shall have the right at any time to declare invalid in whole or in part any claim of a non-integrated producer and such producer shall upon demand refund to RFC any payment on such claim or part thereof if the Expediter finds that the non-integrated producer has not consumed in the production of nails within 60 days of receipt, nail rod or nail wire which he has certified would be so consumed.

(h) *Records*. Every producer shall prepare and preserve for inspection for a period not less than two years after the date of termination of this section, all books, records and other documents which furnish information in support of his claim for payment. The Expediter or his designated agents shall have the right at any time to make such examinations and audits of these books, records, and other documents as may be necessary to verify the representations in the producer's claim for payment or as may be required by the Expediter.

(i) *Reports*. Producers must furnish such reports as may be required by the Expediter from time to time, subject to approval by the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

(j) *Official interpretations*. Official interpretations of this section may be given only in writing by the General Counsel of the Office of the Expediter, or his duly authorized representative. A request for an official interpretation must be filed in writing directly with the Expediter or the General Counsel.

(k) *Termination*. This section shall terminate on March 31, 1947. In the event the Expediter finds that any substantive amendments, including but not limited to an amendment of the termination date, have become necessary, no such amendments will be issued until after adequate notice to and discussion with representatives of the producers covered by this section.

Termination of this section on March 31, 1947 shall not preclude the filing of claims for payment during the month following such termination on account of production during the immediately

preceding month. Such claims shall be dealt with in accordance with the provisions of this section in the same manner as if it had not been terminated.

[This paragraph (k) as amended shall become effective as of November 10, 1946]

(l) *Effective date*. This section shall become effective as of October 1, 1946.

NOTE: The reporting and record keeping requirements of this regulation have been approved by the Bureau of the Budget, in accordance with the Federal Reports Act of 1942.

(60 Stat. 207)

Issued this 12th day of December 1946.

DAVID L. KROOTH,  
Acting Housing Expediter.

[F. R. Doc. 46-21780; Filed, Dec. 18, 1946;  
10:46 a. m.]

[Premium Payments Reg. 11, as Amended  
Dec. 12, 1946, Interpretation 1]

#### PART 805—PREMIUM PAYMENTS REGULATIONS UNDER VETERANS' EMERGENCY HOUSING ACT OF 1946

##### MEANING OF "PRODUCTION"

The following interpretation is issued with respect to Premium Payments Regulation 11.

Subjecting nails which are within the definition of housing nails in paragraph (a) (2) to further conversion, such as casting or pressing a lead head on the nails, is not production as defined in paragraph (a) (14). Consequently, if a producer subjects to further conversion any housing nails which have not been produced in his plants he cannot qualify for premium payments on such housing nails. Similarly, a producer who subjects to further conversion housing nails produced in his own plants cannot qualify for more than one premium payment on the same housing nails.

Issued this 12th day of December 1946.

DAVID L. KROOTH,  
Acting Housing Expediter.

[F. R. Doc. 46-21780; Filed, Dec. 18, 1946;  
10:46 a. m.]

#### TITLE 29—LABOR

##### Subtitle A—Office of the Secretary of Labor

##### PART 01—PROCEDURES

##### CLAIMS UNDER FEDERAL TORT CLAIMS ACT FOR LOSS OF OR DAMAGE TO PROPERTY OR FOR PERSONAL INJURY OR DEATH

Part 01 entitled "Procedures" is hereby amended by adding at the end thereof a new section, to be known as § 01.4, as follows:

§ 01.4 *Claims under the Federal Tort Claims Act for loss of or damage to property or for personal injury or death*. Any claim under the Federal Tort Claims Act (P. L. 601, 79th Cong., Ch. 753, 2d sess.) for loss of or damage to property or on account of personal injury or death, in an amount not exceeding \$1,000, caused by the negligent or wrongful act or omission of any employee of the Department



of Labor while acting within the scope of his office or employment under circumstances where the United States, if a private person, would be liable to the claimant for such damage, loss, injury, or death in accordance with the law of the place where the act or omission occurred may be presented in writing to the Solicitor of Labor, United States Department of Labor, Washington, D. C., or to any regional office of the Solicitor, by the claimant in his own right or through an attorney at any time within one year after such claim has accrued. If the claim is presented through an attorney, such presentation should be accompanied by duly authenticated powers of attorney. Each claim presented should include a sworn detailed statement of the facts and such affidavits, vouchers, bills, and other documents as the claimant deems appropriate for the proper determination of his claim. If, after investigation, the Solicitor determines on the basis of all the evidence that compensation is due the claimant under the Federal Tort Claims Act, the amount so found, together with such reasonable attorney's fees as may be allowed, will be paid by the Secretary of Labor. (Pub. Law 601, 79th Cong.)

Signed at Washington, D. C., this 13th day of December 1946.

L. B. SCHWELLENBACH,  
Secretary of Labor.

[F. R. Doc. 46-21699; Filed, Dec. 18, 1946;  
8:46 a. m.]

## PART 2—GENERAL REGULATIONS OF THE DEPARTMENT OF LABOR

### ORGANIZATION OF THE DEPARTMENT OF LABOR; DELEGATION OF SECRETARY'S POWERS UNDER FEDERAL TORT CLAIMS ACT

Section 2.001 (a) (1) is hereby amended by adding at the end thereof a new subdivision as follows:

(xiii) Disposition of tort claims up to \$1,000 against the Department of Labor, pursuant to the provisions of the Federal Tort Claims Act (Pub. Law 601, Ch. 753, 79th Cong., 2d sess.).

The Secretary's functions under this act have been delegated to the Solicitor of Labor.

Section 2.002 (b) (4) is hereby amended by adding at the end thereof the following sentence: "This section also handles claims against the Department arising under the Federal Tort Claims Act."

(Public Law 601, 79th Cong.)

Signed at Washington, D. C., this 13th day of December 1946.

L. B. SCHWELLENBACH,  
Secretary of Labor.

[F. R. Doc. 46-21698; Filed, Dec. 18, 1946;  
8:46 a. m.]

## TITLE 31—MONEY AND FINANCE

### Chapter I—Monetary Offices, Department of the Treasury

[Department Circular 1]

#### PART 129—VALUES OF FOREIGN MONEYS

CALENDAR YEAR 1946

OCTOBER 1, 1946.

§ 129.9 Calendar year 1946. \* \* \*

(d) *Quarter beginning October 1, 1946.* Pursuant to section 522, title IV, of the Tariff Act of 1930, reenacting section 25 of the act of August 27, 1894, as amended, the following estimates by the Director of the Mint of the values of foreign monetary units are hereby proclaimed to be the values of such units in terms of the money of account of the United States that are to be followed in estimating the value of all foreign merchandise exported to the United States during the quarter beginning October 1, 1946, expressed in any such foreign monetary units: *Provided, however,* That if no such value has been proclaimed, or if the value so proclaimed varies by 5 per centum or more from a value measured by the buying rate in the New York market at noon on the day of exportation, conversion shall be made at a value measured by such buying rate as determined and certified by the Federal Reserve Bank of New York and published by the Secretary of the Treasury pursuant to the provisions of section 522, title IV, of the Tariff Act of 1930.

[The value of foreign monetary units, as shown below in terms of United States money, is the ratio between the legal gold content of the foreign unit and the legal gold content of the United States dollar. It should be noted that this value, with respect to most countries, varies widely from the present exchange rates. Countries not having a legally defined gold monetary unit, or those for which current information is not available, are omitted]

Country	Monetary unit	Value in terms of U. S. money	Remarks
Brazil	Cruzeiro	\$0.2025	Decree law of Oct. 6, 1942, established the cruzeiro as the unit of currency, replacing the milreis. Conversion of notes into gold suspended Nov. 22, 1930.
Canada and Newfoundland	Dollar	1.6931	Redemption of notes into gold suspended. Export of gold prohibited except under license.
Colombia	Peso	.5714	Present gold content of .56424 gram of gold 9/10 fine established by law of Nov. 19, 1935, effective Nov. 20, 1935. Obligation to sell gold suspended Sept. 24, 1931.
Cuba	Peso	1.0000	Gold content of .9673 gram 9/10 fine established by Law No. 244 of May 22, 1934, and confirmed by Law No. 410 of Aug. 10, 1934.
Egypt	Pound (100 piasters)	8.3692	Conversion of notes into gold suspended Sept. 21, 1931.
Ethiopia	Dollar	.4025	New unit established by Proclamation of the Emperor on May 25, 1945, effective July 23, 1945.
Finland	Markka	.0426	Conversion of notes into gold suspended Oct. 12, 1931.
Great Britain	Pound sterling	8.2397	Obligation to sell gold at legal monetary par suspended Sept. 21, 1931.
Guatemala	Quetzal	1.0000	Decree No. 203 of Dec. 10, 1945, defined the monetary unit as 15 5/21 grains gold 9/10 fine. Conversion of notes into gold suspended Mar. 6, 1933.
Haiti	Gourde	.2000	National bank notes redeemable on demand in U. S. dollars.
Hungary	Forint	.0852	New unit based on 13,210 forint per kilogram fine gold, effective July 1946.
Ireland	Pound	8.2397	Conversion of notes into gold suspended Sept. 21, 1931.
Nicaragua	Cordoba	1.6933	Embargo on gold exports Nov. 13, 1931.
Panama	Balboa	1.0000	U. S. money principal circulating medium.
Peru	Sol	.4740	Conversion of notes into gold suspended May 18, 1932; exchange control established Jan. 23, 1945.
Rumania	Leu	.0101	Exchange control established May 18, 1932.
Union of South Africa	Pound	8.2397	Conversion of notes into gold suspended Dec. 28, 1932.
Union of Soviet Socialist Republics	Ruble	.1981	On basis of 5.6807 rubles per gram of fine gold.
Uruguay	Peso	.6583	Present gold content of .585018 gram fine established by law of Jan. 18, 1938. Conversion of notes into gold suspended Aug. 2, 1914; exchange control established Sept. 7, 1931.
Venezuela	Bolivar	.3267	Exchange control established Dec. 12, 1936.

(Sec. 25, 28 Stat. 552; sec. 403, 42 Stat. 17; sec. 522, 42 Stat. 974; sec. 522, 46 Stat. 739; 31 U. S. C. 372)

[SEAL] E. H. FOLEY, Jr.,  
Assistant Secretary of the Treasury.

[F. R. Doc. 46-21719; Filed, Dec. 18, 1946;  
8:49 a. m.]

## TITLE 32—NATIONAL DEFENSE

### Chapter IX—Office of Temporary Controls, Civilian Production Administration

AUTHORITY: Regulations in this chapter unless otherwise noted at the end of documents affected, issued under sec. 2 (a), 54 Stat. 676, as amended by 55 Stat. 236, 56 Stat.

177, 58 Stat. 827, and Public Laws 270 and 475, 79th Congress; Public Law 388, 79th Congress; E. O. 9024, 7 F. R. 329; E. O. 9040, 7 F. R. 527; E. O. 9125, 7 F. R. 2710; E. O. 9599, 10 F. R. 10155; E. O. 9638, 10 F. R. 12591; C. P. A. Reg. 1, Nov. 5, 1945, 10 F. R. 13714; Housing Expediter's Priorities Order 1, Aug. 27, 1946, 11 F. R. 9507; E. O. 9809, Dec. 12, 1946, 11 F. R. 14231; OTO Reg. 1, 11 F. R. 14311.



## PART 1010—SUSPENSION ORDERS

[Suspension Order S-1025]

HARDWOOD FLOORING, INC. AND SAMUEL WEINMAN

Hardwood Flooring, Inc., is a New York corporation with its principal office and place of business at 1265 Noble Avenue, Bronx, New York, engaged in business as hardwood flooring subcontractor; and Samuel Weinman is an individual engaged in the same business as its attorney in fact. As such they obtained hardwood flooring for an authorized Federal Housing Administration project, Serial No. 66-012-00136, located at 244 East 90th Street, New York, New York, by using the HH rating and project serial number assigned therefor. During the period March to June, 1946, inclusive, they did not use all such hardwood flooring in the construction of the project and diverted approximately 8,595 square feet thereof to other persons or projects; and they have approximately 3,000 square feet thereof left over and on hand. The diversion constituted a violation of Priorities Regulations 1 and 33 and diverted critical material to uses not authorized by the Civilian Production Administration. In view of the foregoing, it is hereby ordered that:

§ 1010.1025 *Suspension Order No. S-1025.* (a) For a period of two months from the effective date of this order neither Samuel Weinman nor Hardwood Flooring, Inc., shall apply or extend any preference ratings, regardless of the delivery date named in any purchase order to which such ratings may be applied or extended.

(b) Approximately 3,000 square feet of hardwood flooring which was ordered by use of the HH rating for the project Serial No. 66-012-00136 and which is still unused and on hand in possession of Samuel Weinman and/or Hardwood Flooring, Inc., as they represent, shall not be used, sold, or delivered except for a construction or alteration project authorized to use preference ratings under the Veterans' Emergency Housing Program pursuant to the provisions of Priorities Regulation 33 of Housing Expediter Priorities Regulation 5. Neither Samuel Weinman nor Hardwood Flooring, Inc., shall certify or apply or extend any preference rating to a lumber or flooring supplier of any kind for the said hardwood flooring so used, sold or delivered.

(c) Samuel Weinman and/or Hardwood Flooring, Inc., shall refer to this order in any application or appeal which he and/or it may file with the Civilian Production Administration or the Federal Housing Administration for priorities assistance or for authorization to carry on construction or alteration.

(d) Nothing contained in this order shall be deemed to relieve Samuel Weinman or Hardwood Flooring, Inc., from any restriction, prohibition, or provision contained in any order or regulation of the Civilian Production Administration, except insofar as the same may be inconsistent with the provisions hereof.

(e) The restrictions and prohibitions contained herein shall apply to Samuel

Weinman, Hardwood Flooring, Inc., his or its heirs, legal representatives, successors, and assigns, and any persons acting on his or its behalf. Prohibitions against the taking of any action include the taking indirectly as well as directly of any such action.

This order shall take effect on the date of its issuance.

Issued this 17th day of December 1946.

CIVILIAN PRODUCTION  
ADMINISTRATION,

By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 46-21772; Filed, Dec. 17, 1946;  
4:31 p. m.]

## PART 4500—UTILITIES

[Utilities Order U-13, Revocation]

TO PROLONG ABILITY OF MANUFACTURED AND  
MIXED GAS UTILITIES TO RENDER SERVICE

Section 4500.69 *Utilities Order U-13* is revoked effective December 20, 1946. This revocation does not affect any liabilities incurred for the violation of this order or of any action taken by the Civilian Production Administration under it.

Issued this 18th day of December 1946.

CIVILIAN PRODUCTION  
ADMINISTRATION,

By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 46-21785; Filed, Dec. 18, 1946;  
11:16 a. m.]

TITLE 33—NAVIGATION AND  
NAVIGABLE WATERSChapter II—Corps of Engineers, War  
Department

## PART 207—NAVIGATION REGULATIONS

REGULATIONS GOVERNING USE, ADMINISTRATION,  
AND NAVIGATION OF CAPE COD CANAL,  
MASS.

Pursuant to the provisions of section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U. S. C. 1), the regulations governing the use, administration, and navigation of the Cape Cod Canal, Massachusetts, amending § 207.20, Chapter II, Title 33, Code of Federal Regulations, are as follows:

1. In § 207.20 *Cape Cod Canal, Mass.; use, administration, and navigation*, paragraph (b) is amended to read as follows:

(b) *Supervision.* The movement of all vessels and craft of every description through the canal, and the care and maintenance of the canal and all property of the United States pertaining thereto, shall be under the supervision of the United States Division Engineer, New England Division, Park Square Building, 31 St. James Avenue, Boston 16, Massachusetts, who has general charge of Federal waterway improvements in the locality, and his authorized representatives.

2. The first sentence of paragraph (e) is revised as follows:

(e) *Obtaining clearance.* Vessels 25 feet or more in length shall not transit the canal until clearance has been obtained. \* \* \*

3. Paragraph (f) is amended by changing the text immediately following the headnote, and by revising subparagraphs (2) (ii) and (3) as follows:

(f) *Clearance signals.* The following signals apply to all vessels 25 feet or more in length: \* \* \*

(2) *Eastbound traffic* \* \* \*

(ii) *Signals at Station 389.* These signals will be operated in synchronism with the signals at Wings Neck except:

(a) In emergencies not foreseen when a vessel passes in by Wings Neck.

(b) When dispatching vessels from the West Mooring Basin or the State Pier.

(c) When the railroad bridge is lowered.

When the green light is showing, vessels may proceed. When the amber light is showing, vessels may proceed through the Hog Island Channel as far as the West Mooring Basin or the State Pier. When the red light is showing, vessels must not pass Station 389.

(3) *Procedure in thick weather.* (i) *Obtaining clearance.* When signal lights are obscured by thick weather clearance should be secured by radio or other reliable medium.

(ii) *Signaling by vessels.* In thick weather all vessels, having obtained clearance, shall signal by three long blasts of whistle or horn when passing in by Wings Neck Light or Sandwich Breakwater.

4. The headnote of paragraph (i) is changed and subparagraph (1) is amended as follows:

(i) *Management of vessels—(1) Pilot rules.* The canal is an inland waterway of the United States and the pilot rules for such waterways as contained in the United States Coast Guard publication "Pilot Rules" are applicable concerning matters not otherwise covered herein. \* \* \*

5. In paragraph (j) the words "Division Engineer" are substituted in lieu of "District Engineer".

(j) *Statistics.* Masters of vessels shall furnish the authorized representative of the Division Engineer \* \* \*

6. Paragraphs (1) and (m) are revised as follows:

(1) *Trespass or injury to property.* Subject to the provisions of paragraph (m) of this section, trespass upon the canal property or injury to the canal, lands, banks, revetment, bridges, breakwaters, dikes, dolphins, fences, culverts, trees, telephone lines, power lines, or any other property of the United States pertaining to the canal is prohibited.

(m) *Fish and game.* All persons are forbidden to enter upon the canal or the lands of the United States pertaining thereto for the purpose of fishing or hunting or taking fish or game by any means without a written permit from the Division Engineer or his authorized representative, except that fishing with rod and line from the banks of the canal at



such locations as may be established by the Division Engineer or his authorized representative is allowed without such a permit, subject to the provisions of paragraph (1) of this section. The fish and game laws of the United States and of the State of Massachusetts will be enforced upon the canal and the lands of the United States pertaining thereto.

7. Paragraph (n) is deleted as follows:

(n) *Effective date.* [Deleted]

[Regs. 18 Nov. 1946 (Cape Cod Canal, Mass.)—ENGWR] (40 Stat. 266; 33 U. S. C. 1)

[SEAL]

EDWARD F. WITSELL,  
Major General,  
The Adjutant General.

[F. R. Doc. 46-21673; Filed, Dec. 18, 1946;  
8:55 a. m.]

## TITLE 36—PARKS AND FORESTS

### Chapter II—Forest Service, Department of Agriculture

#### PART 221—TIMBER

#### DETERMINATIONS AND DECLARATION OF THE SHELTON COOPERATIVE SUSTAINED YIELD UNIT

Whereas, advance notice of the public hearing on the proposed establishment of the Shelton Cooperative Sustained Yield Unit and the proposed cooperative agreement between the Simpson Logging Company, a corporation organized and existing under the laws of the State of Washington and having its principal place of business at Shelton, Washington, and the United States of America was given and published in accordance with the provisions of the act of March 29, 1944 (58 Stat. 132; 16 U. S. C. 583-583i); and

Whereas, such public hearing was held at Shelton, Washington, on September 18, 1946; and

Whereas, the record of said hearing, together with the written statements thereafter filed pursuant to an announcement made at such hearing and providing for the filing thereof, has been carefully considered by me; and

Whereas, certain modifications of the proposed cooperative agreement have been determined to be desirable,

Now, therefore, by virtue of the authority vested in me and in accordance with the regulations of the Secretary of Agriculture issued pursuant to the provisions of the act of March 29, 1944, supra (36 CFR 221.30, 221.31), I, Lyle F. Watts, Chief of the Forest Service, hereby find that the establishment of the Shelton Cooperative Sustained Yield Unit will aid in providing for a continuous and ample supply of forest products; that the coordinated management of the national forest land and the lands of the Simpson Logging Company under the modified proposed cooperative agreement will make possible a greater sustained annual cut than would be possible if such lands are managed separately; that taxable forest wealth in the three counties in which the proposed unit is situated will be stabilized and promoted through

the maintenance and development of the timber on the lands of the Simpson Logging Company under the modified proposed cooperative agreement; that the stability of forest industries, of employment, and of communities within and immediately adjacent to the proposed unit will be significantly promoted by the establishment of such unit; that the establishment of the unit neither affects any existing commitment of national forest timber nor interferes with any legal rights of other land-owners within or adjacent to the unit; that the advantages which will accrue to the communities of Shelton and McCleary from the establishment thereof and from entering into the modified proposed cooperative agreement outweigh any and all disadvantages which may accrue therefrom to the communities within or affected by the establishment of such unit; and that the establishment of such unit and the entering into of such cooperative agreement will otherwise further the purposes of said act of March 29, 1944, and be in the public interest.

It is therefore determined that the proposed cooperative agreement, as modified, shall be entered into with the Simpson Logging Company.

It is further declared that the Shelton Cooperative Sustained Yield Unit is hereby established with exterior boundaries described as follows:

#### § 221.32 Shelton Cooperative Sustained Yield Unit.

Beginning at the northwest corner of Section 3, Township 21 North, Range 8 West, thence South to the quarter corner common to Sections 15 and 16, thence West to the center of Section 16, thence South to the quarter corner common to Sections 16 and 21, thence East to the southeast corner of Section 16, thence South to the southwest corner of Section 22, thence East to the southeast corner of Section 22, thence South to the southwest corner of Section 35, all in Township 21 North, Range 8 West; thence East to the northwest corner of Section 3, Township 20 North, Range 8 West; thence South to the southwest corner of Section 3, thence East to the northwest corner of Section 11, Township 20 North, Range 8 West; thence South to the southwest corner of Section 11, Township 19 North, Range 8 West; thence East to the southeast corner of Section 12, Township 19 North, Range 8 West; thence North to the southwest corner of Section 6, Township 19 North, Range 7 West; thence East to the southwest corner of Section 1, thence South to the southwest corner of Section 12; thence East to the southeast corner of Section 12, all in Township 19 North, Range 7 West; thence South to the southwest corner of Section 18, Township 18 North, Range 6 West; thence East to the quarter corner common to Sections 16 and 21, thence South to the quarter corner common to Sections 21 and 28, thence East to the southeast corner of Section 23, thence North to the northeast corner of Section 23, thence East to the southeast corner of Section 13, thence North to the northeast corner of Section 13, all in Township 18 North, Range 6 West; thence East to the quarter corner common to Sections 9 and 16, Township 18 North, Range 5 West; thence North to the center of Section 9, thence East to the quarter corner common to Sections 9 and 10, thence North to the northeast corner of Section 4, thence East to the northwest corner of Section 1, thence South to the quarter corner common to Sections 11 and 12, thence East to the center of Section 12, thence South to the center of Section 13,

thence West to the quarter corner common to Sections 15 and 16, thence South to the southwest corner of Section 15, thence West to the northwest corner of Section 21, thence South to the southwest corner of Section 33, thence East to the southeast corner of Section 36, all in Township 18 North, Range 5 West; thence North to the southwest corner of Section 18, Township 18 North, Range 4 West; thence East to the southeast corner of Section 17, thence North to the northeast corner of Section 17, thence East to the southeast corner of Section 12, all in Township 18 North, Range 4 West; thence South to the southwest corner of Section 19, Township 18 North, Range 3 West; thence East to the southeast corner of Section 21, thence South to the quarter corner common to Sections 27 and 28, thence East to the quarter corner common to Sections 26 and 27, thence North to the northeast corner of Section 3, all in Township 18 North, Range 3 West; thence West to the southeast corner of Section 31, Township 19 North, Range 3 West; thence North to the quarter corner common to Sections 19 and 20, thence West to the center of Section 19, thence North to the center of Section 18, thence East to the center of Section 17, thence South to the quarter corner common to Sections 17 and 20, thence East to the meander line on the southern boundary of Section 14, thence along the meander line of Totten Inlet in a northerly direction to a point south of the quarter corner common to Sections 11 and 14, thence North to the center of Section 11, thence West to the quarter corner common to Sections 9 and 10, thence North to the northeast corner of Section 9, thence East to the quarter corner common to Sections 3 and 10, thence North to the center of Section 3, thence East to the quarter corner common to Sections 1 and 2, thence North to the northeast corner of Section 2, all in Township 19 North, Range 3 West; thence East to the meander corner on the south boundary of Section 31, Township 20 North, Range 2 West; thence along the meander line of Totten Inlet to a point south of the center of Section 32, thence North to the quarter corner common to Sections 29 and 32, thence West to the northwest corner of Section 31, all in Township 20 North, Range 2 West; thence North to the east quarter corner of Section 25, Township 20 North, Range 3 West; thence West to the quarter corner common to Sections 25 and 26, thence South to the southwest corner of Section 25, thence West to the Northwest corner of Section 32, all in Township 20 North, Range 3 West; thence South to the southwest corner of Section 5, Township 19 North, Range 3 West; thence West to the northwest corner of Section 7, Township 19 North, Range 3 West; thence North to the northeast corner of Section 25, Township 20 North, Range 4 West; thence West to the northwest corner of Section 25, thence North to the northeast corner of Section 23, thence East to the quarter corner common to Sections 13 and 24, thence North to the quarter corner common to Sections 12 and 13, all in Township 20 North, Range 4 West; thence East to the meander line on the southern boundary of Section 9, Township 20 North, Range 3 West; thence in a northeasterly direction along said meander line to the eastern boundary of Section 9, thence North to the quarter corner common to Sections 3 and 4, thence East to the center of Section 3, thence North to the north quarter corner of Section 3, all in Township 20 North, Range 3 West; thence East to the southeast corner of Section 34, Township 21 North, Range 3 West; thence North to the northeast corner of Section 34, thence East to the southeast corner of Section 25, Township 21 North, Range 3 West; thence South to the southwest corner of Section 31, Township 21 North, Range 2 West; thence East to the northwest corner of Section 6, Township 20 North, Range 2 West; thence South to the east quarter corner of



Section 1, Township 20 North, Range 3 West; thence West to the quarter corner common to Sections 1 and 2, thence South to the southwest corner of Section 13, thence East to the southeast corner of Section 13, all in Township 20 North, Range 3 West; thence North to the west quarter corner of Section 18, Township 20 North, Range 2 West; thence East to the quarter corner common to Sections 16 and 17, thence North to the southwest corner of Section 4, thence East to the meander corner on the southern boundary of Section 4, thence in a northeasterly direction along the meander line of Pickering Passage to a point south of the center of Section 4, thence North to the north quarter corner of Section 4, all in Township 20 North, Range 2 West; thence West to the southeast corner of Section 31, Township 21 North, Range 2 West; thence North to the northeast corner of Section 31, thence East to the quarter corner common to Sections 29 and 32, thence North to the quarter corner common to Sections 20 and 29, thence East to the southeast corner of Section 20, thence North to the northeast corner of Section 17, thence East to the southeast corner of Section 11, thence North to the quarter corner common to Sections 11 and 12, all in Township 21 North, Range 2 West; thence East to the center of Section 7, Township 21 North, Range 1 West; thence North to the quarter corner common to Sections 19 and 30, Township 22 North, Range 1 West; thence East to the southeast corner of Section 19, thence North to the northeast corner of Section 19, thence West to the quarter corner common to Sections 18 and 19, thence North to the quarter corner common to Sections 7 and 18, thence West to the northwest corner of Section 18, all in Township 22 North, Range 1 West; thence South to the northeast corner of Section 24, Township 22 North, Range 2 West; thence West to the northwest corner of Section 23, thence South to the quarter corner common to Sections 22 and 23, thence West to the quarter corner common to Sections 21 and 22, thence South to the southwest corner of Section 22, thence West to the northwest corner of Section 29, thence South to the quarter corner common to Sections 29 and 30, thence West to the west quarter corner of Section 30, all in Township 22 North, Range 2 West; thence South to the northeast corner of Section 36, Township 22 North, Range 3 West; thence West to the quarter corner common to Sections 25 and 36, thence South to the center of Section 36, thence West to the quarter corner common to Sections 35 and 36, thence South to the southwest corner of Section 36, all in Township 22 North, Range 3 West; thence West to the northwest corner of Section 4, Township 21 North, Range 3 West; thence South to the southwest corner of Section 4, thence West to the meander line of the Skokomish River on the northern boundary of Section 7, thence along this meander line in a southwesterly direction to the western boundary of Section 7, all in Township 21 North, Range 3 West; thence South to the northeast corner of Section 24, Township 21 North, Range 4 West; thence West to the northwest corner of Section 19, Township 21 North, Range 4 West; thence North to the northeast corner of Section 13, Township 21 North, Range 5 West; thence West to the northwest corner of Section 13, thence North to the quarter corner common to Sections 11 and 12, Township 21 North, Range 5 West; thence East to the quarter corner common to Sections 9 and 10, Township 21 North, Range 4 West; thence North to the northeast corner of Section 33, Township 22 North, Range 4 West; thence East to the quarter corner common to Sections 27 and 34, thence North to the center of Section 27, thence East to the quarter corner common to Sections 26 and 27, thence North to the quarter corner common to Sections 10 and 11, thence East to the quarter corner common to Sections 11 and 12, thence North to the south-

west corner of Section 1, thence East to the quarter corner common to Sections 1 and 12, thence North to the north quarter corner of Section 1, all in Township 22 North, Range 4 West; thence East to the meander corner on the south boundary of Section 36, Township 23 North, Range 4 West; thence in a northeasterly direction along the meander line of Hood Canal to the meander corner on the eastern boundary of said Section 36, Township 23 North, Range 4 West; thence North to the southwest corner of Section 18, Township 23 North, Range 3 West; thence East to the southeast corner of Section 18, thence North to the quarter corner common to Sections 17 and 18, thence East to the center of Section 17, thence North to the quarter corner common to Sections 8 and 17, thence East to the meander corner on the southern boundary of Section 9, thence northeasterly along the meander line of Hood Canal to a point south of the center of Section 9, thence North to the quarter corner common to Sections 4 and 9, thence East to the southeast corner of Section 4, thence North to the northeast corner of Section 4, all in Township 23 North, Range 3 West; thence West to the northwest corner of Section 2, Township 23 North, Range 4 West; thence South to the northeast corner of Section 10, thence South to the northeast corner of Section 16, all in Township 23 North, Range 4 West; thence West to a point in Lake Cushman Reservoir on the projected west boundary of Township 23 North, Range 4 West; thence South to the divide between the drainages of the North and South Forks of the Skokomish River, thence in a west and northwesterly direction along this divide to the boundary of the Olympic National Park, thence in a west and southwesterly direction along the southern boundary of the Olympic National Park to the divide between the Wynooschee and Humptulips Rivers, thence in a southwesterly direction along this divide to a point on the western boundary of unsurveyed Section 34, Township 22 North, Range 8 West, which is due north of the point of beginning; thence South to the point of beginning; all in the Williamette Meridian; State of Washington; comprising a total gross land area of approximately 538,692 acres. The boundaries of the Shelton Cooperative Sustained Yield Unit are shown on maps on file in the offices of the Forest Supervisor at Olympia, Washington, of the Regional Forester at Portland, Oregon, and of the Chief, Forest Service, Washington, D. C.

(58 Stat. 132, 16 U. S. C. 583, 583i)

This 12th day of December 1946.

[SEAL] LYLE F. WATTS,  
Chief, Forest Service.

[F. R. Doc. 46-21680; Filed, Dec. 18, 1946;  
8:54 a. m.]

## TITLE 39—POSTAL SERVICE

### Chapter I—Post Office Department

#### Subchapter B—Regulations

#### PART 21—INTERNATIONAL POSTAL SERVICE

##### TRANSPORTATION CHARGES FOR CONVEYANCE OF FOREIGN MAIL BY UNITED STATES AIR CARRIERS

Amend § 21.117 *Transportation charges due from foreign countries for the conveyance of their mails by United States air carriers* (11 F. R. 13637) by adding the following paragraph:

(e) Effective January 1, 1947, transportation charges due from foreign coun-

tries for the conveyance of their mails between the following places served direct by United States foreign air mail services shall be as follows:

#### Rate Postal Gold Francs Per Gross Kilogram

Between:	
Gander and Shannon.....	19.25
Horta and Lisbon.....	8.50
Lisbon and Dakar.....	19.50
Lisbon and Monrovia.....	24.50
Lisbon and Leopoldville.....	44.00
Dakar and Monrovia.....	7.50
Dakar and Leopoldville.....	27.00
Leopoldville and Monrovia.....	19.50
Hawaii and Canton.....	18.50
Canton and Suva.....	12.00
Suva and Noumea.....	8.25
Noumea and Auckland.....	11.25
Hawaii and Midway.....	12.50
Midway and Wake.....	11.50
Wake and Guam.....	14.50
Guam and Manila.....	15.50
Gander and Lisbon.....	24.75
Gander and Horta.....	16.25
United States and St. Lucia.....	20.50
Geneva, Switzerland, and the United States.....	12.50

(Sec. 405, 52 Stat. 994, as amended; 49 U. S. C. 485)

[SEAL] J. M. DONALDSON,  
Acting Postmaster General.

[F. R. Doc. 46-21723; Filed, Dec. 18, 1946;  
8:45 a. m.]

#### PART 21—INTERNATIONAL POSTAL SERVICE SUBPART B—SERVICE TO FOREIGN COUNTRIES; ALPHABETICAL LIST

The regulations under the country "Germany" (39 CFR, Part 21), are amended as follows:

1. Delete reference to "including the territory of Austria" wherever it appears.
2. Delete table of rates under "Parcel Post", and regulations under "Registration."
3. Add the following regulations:

*Gift parcels to American Zone of Germany.* (a) Ordinary (unregistered and uninsured) gift parcels not exceeding 11 pounds in weight will be accepted for mailing when addressed for delivery in the American Zone of Germany except the American Sector of Berlin.

(b) The parcels will be subject to the same conditions as were in effect prior to the suspension of the service and also to the following restrictions:

(1) Only one parcel per week may be sent by or on behalf of the same sender to or for the same addressee.

(2) Contents are limited to such essential relief items as nonperishable foods, clothing, soap, mailable medicines, and other similar items for the relief of human suffering. No writing or printed matter of any kind may be included.

(c) The parcels and relative customs declarations must be conspicuously marked "Gift Parcel" by the senders, who must itemize the contents and value on the customs declarations.

(d) Parcels shall not exceed 72 inches, length and girth combined.

(e) The parcel-post rates are 14 cents per pound or fraction thereof.

(f) Parcels should bear the name of the addressee, street and house number, town, postal district number (if known),



province, and the indication "American Zone, Germany." Box numbers may be used as part of the address provided the name of the box holder is shown. Parcels shall NOT be accepted for mailing when addressed "General Delivery," or when addressed for delivery in Berlin.

(g) The following provinces and cities are located in the American Zone of Germany:

**Provinces:**

Northern Baden, except Kreis of Rastatt and Buhl (Postal District 17a).

Northern Wurttemberg (Postal District 14a).

Bavaria.  
Land Hassen.  
Kurhessen.  
Nassau.

**Cities:**

Bremen.  
Bremerhaven.

(h) Parcels which are undeliverable will not be returned to senders but will be turned over to authorized German relief organizations for distribution to the needy.

*Gift parcels for displaced persons in the American sector of Berlin, Germany.*

(a) Ordinary (unregistered and uninsured) gift parcels not exceeding \$25 in total value will be accepted for mailing to displaced persons in the American sector of Berlin, Germany, subject to the following restrictions:

(1) Not more than one parcel per week may be mailed by the same sender to the same displaced person in Berlin.

(2) When parcels are presented for mailing at the post office, there must also be presented as authority for the mailing, a card (UNRRA Postal Form No. 1) sent by the displaced person and addressed to the mailer. On this card, or on a sheet of paper attached thereto there shall be endorsed by the accepting clerk, "Parcel mailed (date)" with his initials.

(3) No parcel may weigh over 11 pounds nor measure over 72 inches greatest length and girth combined, or 42 inches greatest length.

(4) Permissible contents are clothing, non-perishable foodstuffs, mailable medicinals and vitamins, soaps and shaving preparations.

(5) The parcels must be closely packed and carefully and securely wrapped in a manner which will facilitate opening for inspection. Parcels may not be sealed.

(6) One customs declaration (Form 2966) and one dispatch note (Form 2972) must be attached to each parcel. The address side of each parcel and the relative customs declaration must be conspicuously marked "Gift Parcel" by the sender who must also clearly state the contents and value thereof on the customs declaration.

(7) The parcel post rates are 14 cents per pound or fraction thereof.

(8) The following is an example of the form of address to be used: First line, name; second line, name of camp; third line, house number and street; fourth line, "U. S. Sector of Berlin, Germany"; fifth line, "via Foreign Station, New York, N. Y."

(b) Parcels which are undeliverable will not be returned to senders but will be distributed to other persons in the camp.

(c) Parcels for displaced persons in other parts of the American Zone of Germany and in the British and French Zones may be accepted without an UNRRA Postal Form No. 1 under the same conditions as for other persons.

*Gift parcels to British Zone of Germany.* (a) Ordinary (unregistered and uninsured) gift parcels not exceeding 11 pounds in weight will be accepted for mailing when addressed for delivery in the British Zone of Germany, except the British sector of Berlin.

(b) The parcels will be subject to the same conditions as those addressed to the American zone, that is, to the conditions which were in effect prior to the suspension of the service and also to the following restrictions:

(1) Only one parcel per week may be sent by or on behalf of the same sender to or for the same addressee.

(2) Contents are limited to such essential relief items as nonperishable foods, clothing, soap, mailable medicines, and other similar items for the relief of human suffering. No writing or printed matter of any kind may be included.

(c) The parcels and relative customs declarations must be conspicuously marked "Gift Parcel" by the senders, who must itemize the contents and value on the customs declarations.

(d) Parcels shall not exceed 72 inches, length and girth combined.

(e) The parcel post rates are 14 cents per pound or fraction thereof.

(f) Parcels should bear the name of the addressee, street and house number, town, postal district number (if known), province, and the indication "British Zone, Germany." Box numbers may be used as part of the address provided the name of the box holder is shown. Parcels shall not be accepted for mailing when addressed "General Delivery," or when addressed for delivery in Berlin.

(g) The British Zone includes the following regions of Germany:

(1) The entire province of Schleswig-Holstein, with the city area of Hamburg (Postal District 24).

(2) The entire provinces and areas of Hannover, Oldenburg, Braunschweig, Lippe, Schaumburg-Lippe, and the Bremen Enclave (Postal Districts 20 and 23).

(3) The entire province of Westfalen (Postal District 21).

(4) The northern portion of the Rhein Province (Postal District 22), including the cities and Kreise of Aachen, Koln (Cologne), Duren Schleiden, Euskirchen, Bonn, Siegburg and Gummersbach, and places north thereof.

(h) Parcels which are undeliverable will not be returned to senders but will be turned over to authorized German relief organizations for distribution to the needy.

*Gift parcels to French Zone of Germany.* (a) Ordinary (unregistered and uninsured) gift parcels not exceeding 11 pounds in weight will be accepted for mailing when addressed for delivery in the French Zone of Germany, except the French sector of Berlin.

(b) The parcels will be subject to the same conditions as those addressed to the American and British zones, that is,

to the conditions which were in effect prior to the suspension of the service and also to the following restrictions:

(1) Only one parcel per week may be sent by or on behalf of the same sender to or for the same addressee.

(2) Contents are limited to such essential relief items as nonperishable foods, clothing, soap, mailable medicines, and other similar items for the relief of human suffering. No writing or printed matter of any kind may be included.

(c) The parcels and relative customs declarations must be conspicuously marked "Gift Parcel" by the senders, who must itemize the contents and value on the customs declarations.

(d) Parcels shall not exceed 72 inches, length and girth combined.

(e) The parcel post rates are 14 cents per pound or fraction thereof.

(f) Parcels should bear the name of the addressee, street and house number, town, postal district number (if known), province, and the indication "French Zone, Germany." Box numbers may be used as part of the address provided the name of the box holder is shown. Parcels shall NOT be accepted for mailing when addressed "General Delivery," or when addressed for delivery in Berlin.

(g) The French Zone includes the following regions of Germany:

(1) Hessen and Nassau (Postal District 16). All places in Rheinhessen and western Nassau which are not included in the American Zone.

(2) Rhein Province (Postal District 22). All places in the southern Rhein Province which are not included in the British Zone.

(3) Pfalz (Postal District 18). All of the region known as the Pfalz, of which Kaiserslautern is the capital.

(4) Baden and Wurttemberg (Postal Districts 17 and 14). All places in northern and southern Baden and Southern Wurttemberg which are not included in the American Zone.

(g) Parcels which are undeliverable will not be returned to senders but will be turned over to authorized German relief organizations for distribution to the needy.

CROSS REFERENCE: See 11 F. R. 9996, 11003, 13514, for Export Control Regulations of Office of International Trade.

(R. S. 161, 396, sec. 304, 309, 42 Stat. 24, 25; 5 U. S. C. 22, 369)

[SEAL] J. M. DONALDSON,  
Acting Postmaster General.

[F. R. Doc. 46-21724; Filed, Dec. 18, 1946; 8:47 a. m.]

## TITLE 41—PUBLIC CONTRACTS

### Chapter II—Division of Public Contracts, Department of Labor

#### PART 203—RULES OF PRACTICE

##### Correction

In the amendment of § 203.6 (b) (F. R. Doc. 46-16028), appearing at page 177A-347 of Part II of the issue for September 11, 1946, the word "part" should read "party".



## TITLE 47—TELECOMMUNICATIONS

Chapter I—Federal Communications  
CommissionPART 1—RULES RELATING TO ORGANIZATION  
APPROVED AND PRACTICE AND PROCEDURE

## HEARINGS AND DECISIONS

DECEMBER 10, 1946.

The Commissioner on December 9, 1946 adopted for release new §§ 1.841 to 1.858, inclusive, of Part I of the Rules and Regulations Relating to Organization and Practice and Procedure. These new sections become effective December 11, 1946, and are designed to meet the requirements of sections 5 (c), 7 and 8 of the Administrative Procedure Act. Old §§ 1.841 to 1.852, inclusive, are withdrawn as of December 11, 1946.

Section 5 (c) of the Administrative Procedure Act creates two classes of hearings. The first group consists of cases in which hearing officers and other Commission employees are required to adhere to those provisions of the section which deal with separation of functions. The second group consists of cases which are exempt from such provisions. The Commission has given serious consideration to the advisability of applying the separation of functions provisions of the Administrative Procedure Act to all hearings conducted by the Commission. In view of the heavy workload confronting the Commission it was decided not to institute such procedure at this time.

As of November 1, 1946, there remained 53 consolidated hearings which had been completed more than two months prior to said date and where proposed decisions had not been issued. Of this number 11 had been completed from two to four months prior to said date; 25 were completed from four to six months prior to said date; and 17 had been completed more than six months prior to said date. These 53 consolidated hearings involved 171 applications. As of December 1, 1946, 117 hearings were pending.

In order to reduce this backlog and expedite the issuance of decisions and orders the Commission has been meeting regularly with the hearing officers in connection with their individual cases. These frequent and direct discussions have brought encouraging results. The Commission plans to continue these meetings in all cases which are exempt from the requirements of section 5 (c). At such time as the hearing backlog has been reasonably reduced the Commission will give further consideration to a broader application of the provisions of the Administrative Procedure Act to hearings which it designates. In the meantime, the Commission is desirous of receiving comments from all persons concerning these rules.

At a meeting of the Federal Communications Commission held at its offices in Washington, D. C., on the 9th day of December 1946;

Whereas, it appears that public interest, convenience and necessity will be served by revoking certain portions of Part I of the rules and regulations entitled "Rules Relating to Organization and Practice and Procedure" and by

adopting new sections in place and stead thereof;

Now, therefore, *It is ordered*, That Part I of the Commission's rules and regulations entitled "Rules Relating to Organization and Practice and Procedure" be, and it is hereby, amended in the following respects, effective December 11, 1946:

1. Sections 1.841 to 1.852, inclusive, are revoked and §§ 1.841 to 1.858, inclusive, shall be substituted therefor.

- |       |  |
|-------|--|
| Sec.  |  |
| 1.841 | Effective date.                                |
| 1.842 | Order of procedure.                            |
| 1.843 | Designation of presiding officers.             |
| 1.844 | Authority of presiding officer.                |
| 1.845 | Hearing before more than one person.           |
| 1.846 | Closing of hearing.                            |
| 1.847 | Certification of transcript.                   |
| 1.848 | Corrections to transcripts.                    |
| 1.849 | Findings and conclusions proposed by parties.  |
| 1.850 | Contents of findings proposed by parties.      |
| 1.851 | Initial, recommended, and proposed decisions.  |
| 1.852 | Final decision in lieu of proposed decision.   |
| 1.853 | Waiver of decisions.                           |
| 1.854 | Exceptions: briefs, request for oral argument. |
| 1.855 | Number of copies.                              |
| 1.856 | Final decision of the Commission.              |
| 1.857 | Separation of functions.                       |
| 1.858 | The record.                                    |

AUTHORITY: §§ 1.841 to 1.858, inclusive, issued under 4 (i), 48 Stat. 1066; 47 U. S. C. 154 (i).

§ 1.841 *Effective date.* Sections 1.841 to 1.858 inclusive, shall become effective December 11, 1946. Sections 1.843, 1.851 (a) (b) (c) and (d), and 1.857 shall apply only to cases which are designated for hearing on or after December 11, 1946: *Provided, however*, That these sections shall be applicable to cases designated for hearing prior to December 11, 1946 if consolidated with a case designated for hearing on or after that date.

§ 1.842 *Order of procedure.* At hearings on complaint, petitions, applications, or other proceedings for instruments of authorization which the Commission is empowered to issue, the complainant, petitioner, or applicant as the case may be, shall open and close. At hearings on investigation and suspension proceedings under Title II of the act, the respondent whose tariffs are under suspension shall open and close. At hearings in all other investigations, the respondent shall open and close. At hearings under Title III of the act on revocations and suspension of operator licenses or modifications of licenses under section 312 (b) of the act, or other like proceedings instituted by the Commission, the Commission shall open and close. In hearings upon a consolidated record, the Commission or presiding officer shall designate the order of presentation. Interveners shall follow the party in whose behalf intervention is made, and in all cases where the intervention is not in support of an original party, the Commission, or presiding officer, shall designate at what stage such interveners shall be heard.

§ 1.843 *Designation of presiding officers.* Except where the Commission determines that due and timely execution

of its functions require otherwise, presiding officers shall be so designated, and notice thereof made public, at least 10 days prior to the date set for hearing. In the event that a presiding officer deems himself disqualified and desires to withdraw from the case he shall notify the Commission of his withdrawal at least 7 days prior to the date set for hearing. Any party or any person who has been granted leave to be heard, or the General Counsel of the Commission, may in good faith request the presiding officer to withdraw on the grounds of personal bias or other disqualification. The person seeking disqualification shall file with the presiding officer an affidavit setting forth in detail the facts alleged to constitute grounds for disqualification, and the presiding officer may file a response thereto. Such affidavit must be filed within 5 days of the date set for hearing or within 2 days after the presiding officer is designated, whichever is later, but in no event later than the close of the first day of the hearing. If the presiding officer believes himself not disqualified he shall so rule and proceed with the hearing. If the person seeking disqualification excepts from the ruling of the presiding officer he shall so state at the time the ruling of the presiding officer is made and the presiding officer shall certify the question together with the affidavit and any response filed in connection therewith, to the Commission. The Commission may rule on the question without hearing or it may require testimony or argument on the issues raised. The affidavit, response, testimony and decision thereon shall be part of the record in the case. The failure to file an objection to the presiding officer designated by the Commission within the time required by this section, or to file an exception to the ruling of the presiding officer shall be deemed a waiver thereof by the parties to the proceeding.

§ 1.844 *Authority of presiding officer.* The functions of all presiding officers shall be conducted in an impartial manner. They shall have authority, with respect to cases assigned to them, from the commencement of the hearing to the date of submission of their decisions and transfer of the cases to the Commission, subject to the rules and regulations of the Commission and within its powers, to

- Administer oaths and affirmations,
- Examine witnesses,
- Issue subpoenas authorized by law,
- Rule upon offers of proof and receive relevant evidence at any place in the United States designated by the Commission,
- Take or cause depositions to be taken when authorized by the Commission,
- Regulate the course of the hearing, maintain discipline and decorum, and exclude from the hearing any person found guilty of contemptuous conduct,
- Hold conferences for the simplification of the issues,
- Take any other action necessary under the foregoing and authorized by the published rules and regulations of the Commission, but no such officer shall be empowered to decide any motion offered in the course of a hearing to dismiss the



proceeding or to decide any other motion which involves a final determination of the merits of the proceedings.

§ 1.845 *Hearing before more than one person.* Where more than one person is designated to preside at a hearing, the authority vested in a "presiding officer" under §§ 1.841 to 1.858, inclusive, shall be vested in a majority of the persons presiding at the hearing.

§ 1.846 *Closing of hearing.* The record of hearing shall be closed by an announcement to that effect, at the hearing, by the presiding officer when the taking of testimony has been concluded. A hearing which has been adjourned may not be closed by such officer prior to the adjourned date except upon 10 days notice to all parties to the proceeding and to the General Counsel of the Commission.

§ 1.847 *Certification of transcript.* After the close of the hearing the complete transcript of testimony, together with all exhibits, shall be certified by the presiding officer and filed in the office of the Secretary of the Commission. Notice of such certification shall be served on all parties to the proceedings.

§ 1.848 *Corrections to transcripts.* Suggested corrections to transcripts of testimony as certified by the presiding officer shall be considered only if offered within 10 days from the date of notice of filing thereof in the office of the Secretary. Suggested corrections shall be accompanied by proof of service thereof upon all other parties to the proceeding. The presiding officer shall have authority to act on all suggested corrections.

§ 1.849 *Findings and conclusions proposed by parties.* Within 20 days from the date when the record of the hearing is closed, each party to the proceeding shall, and the General Counsel of the Commission may, file with the Commission proposed findings of fact and conclusions, and supporting reasons therefor, accompanied by proof of service thereof upon all the other parties participating in the hearing. Failure to file proposed findings of fact and conclusions by any party within the required time shall be deemed a waiver by such party of any right to participate further in the proceeding, including oral argument, if any is held.<sup>1</sup>

§ 1.850 *Contents of findings proposed by parties.* Such proposed findings of fact shall be set forth in serially numbered paragraphs and shall set out in detail and with particularity all basic evidentiary facts developed by the evidence (with appropriate citations to the transcript of record or exhibit relied on)

<sup>1</sup>In broadcast cases, until further notice, parties will not be required to file proposed findings of fact and conclusions of law with the Commission unless they are specifically directed to do so by the Commission. The nonfiling of such proposed findings in broadcast cases where there is no direction by the Commission that they be filed will not constitute a waiver by the parties of any rights. Any party not directed to file proposed findings of fact and conclusions of law may do so if he desires by notifying the Commission of his intention before the record is closed.

supporting the conclusions proposed by the party filing same. Proposed conclusions shall be separately stated. Proposed findings of fact and conclusions submitted by a person other than an applicant may be limited to those issues in connection with the hearing which affect the interests of such person. Such proposed findings and conclusions may be accompanied by briefs or memoranda of law.

§ 1.851 *Initial, recommended and proposed decisions.* (a) In rule making and in all cases of hearings on applications for initial licenses the presiding officer shall not prepare any decision but shall certify the entire record to the Commission for decision.

(b) In all other cases the order or notice containing the date and place of hearing shall specify whether the presiding officer shall prepare an initial decision as provided for in paragraph (a) of this section, or a recommended decision as provided for in paragraph (d) of this section.

(c) In all cases where the Commission's initial decision is prepared by the presiding officer pursuant to an order or notice of the Commission, such decision shall contain findings of fact and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law or discretion presented on the record; and the appropriate rule, order, sanction, relief, or denial thereof. The initial decision shall show the ruling of the presiding officer upon each relevant and material finding and conclusion proposed by the parties. Whenever the Commission's initial decision is prepared by the presiding officer no proposed decision will be issued by the Commission.

(d) In cases where a recommended decision is prepared by the presiding officer pursuant to an order or notice of the Commission, such decision shall contain findings of fact, conclusions, and the reasons or basis therefor, upon all the material issues of fact, law or discretion presented on the record; the appropriate rule, order, sanction, relief, or denials thereof; and recommendations as to what disposition of the case should be made. The recommended decision shall be transmitted to the Commission and shall not be made public until further action by the Commission. After such transmission the case shall be transferred to the Commission and the presiding officer's jurisdiction over the proceedings shall cease.

(e) In all cases where a recommended decision is prepared by the presiding officer (or where no decision is prepared by a presiding officer), the Commission will issue a proposed decision containing its proposed findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record; and the appropriate rule, order, sanction, relief, or denial thereof. If a recommended decision has been prepared by the presiding officer, the Commission will append it to its proposed decision and issue both simultaneously. Such proposed decision will show the ruling of the Commission upon each relevant and material finding and conclusion proposed by the parties.

(f) The failure to file an objection to the procedure provided for in this § 1.851 at least 3 days prior to the date set for hearing shall be deemed a waiver thereof by the parties to the proceeding.

§ 1.852 *Final decision in lieu of proposed decision.* In rule making or in determining applications for initial licenses the Commission may omit the issuance of a proposed decision where it finds upon the record that due and timely execution of its functions imperatively and unavoidably so requires.

§ 1.853 *Waiver of decisions.* Within 20 days after the close of a hearing all the parties to the proceeding may stipulate to waive the requirement that the presiding officer prepare any decision, or that the Commission issue a proposed decision, and may request that the Commission issue a final order in the case with or without findings of fact and conclusions. If, in the discretion of the Commission, such stipulation and request will best conduce to the proper dispatch of business and to the ends of justice, it will comply with the request of the parties.

§ 1.854 *Exceptions: briefs, request for oral argument.* (a) Within 20 days from the date of issuance of the Commission's initial decision by the presiding officer, or the Commission's proposed decision (and appended recommended decision, if any), the parties to the proceeding, and the General Counsel of the Commission, may file a statement in writing setting forth such exceptions to said decisions or to any part of the record or proceeding (including rulings upon all motions or objections) as they rely upon. The exceptions shall point out with particularity alleged errors in the decisions and shall contain specific reference to the page of the transcript of hearing or exhibit on which the exception is based. Objections to the decisions not saved by exception filed pursuant to this rule will be deemed to have been abandoned and may be disregarded.

(b) Any party and the General Counsel of the Commission may, within the same 20 days, file a statement in support of any decision. All such statements shall be similar in content and form to a statement of exceptions.

(c) All exceptions and supporting statements shall be accompanied by a brief in support thereof, and may contain a request for oral argument before the Commission. Within 10 days after the filing by any party of exceptions to the decisions, any other party and the General Counsel of the Commission may file a reply brief. If no request for oral argument is made within said 30-day period all parties shall be considered to have waived their right thereto.

(d) Within 5 days from the date of filing with the Commission of a request for oral argument by any party to the proceeding, or the General Counsel of the Commission, all other parties to such proceeding shall file written notice of intention to appear and participate in such oral argument. Failure to file the written notice shall constitute a waiver of the right to present oral argument.



§ 1.855 *Number of copies.* Fifteen copies of any proposed findings of fact and conclusions, exceptions, supporting statement or briefs filed in connection with the hearing, shall be filed with the Commission.

§ 1.856 *Final decision of the Commission.* After a full opportunity has been afforded all parties for the filing of exceptions, supporting statements, briefs, and for oral argument, as provided above, the Commission will issue its final decision. The requirements of § 1.851 herein shall apply to the final decision of the Commission, and in addition, shall show the ruling upon each relevant and material exception filed by the parties to the initial decision prepared by the presiding officer pursuant to §§ 1.851 (b) and (c), or to the Commission's proposed decision.

§ 1.857 *Separation of functions.* (a) For hearings involving the matters listed in paragraph (b) of this section the Commission shall designate to preside therein one or more Commissioners, or other duly qualified officers. Such officers (except Commissioners) shall from the commencement of the hearing to the date of submission of their decisions and transfer of the cases to the Commission, be relieved of all other duties inconsistent with their duties and responsibilities as presiding officers. No such officers (except Commissioners) shall consult or confer with any person or party on any fact in issue unless upon notice and opportunity for all parties to participate; nor shall such officers during such time, be responsible to or subject to the supervision or direction of any officer, employee, or agent engaged in the performance of investigative or prosecuting functions for the Commission.

(b) Paragraph (a) of this section shall be applicable to hearings involving the following matters, and any other matters designated by the Commission on its own motion or on motion of any party showing cause therefor:

(1) Proceedings to revoke a license or permit.

(2) Proceedings to suspend a license or permit.

(3) Applications for renewal of licenses.

(4) Applications for consent to the assignment of a construction permit or a license.

(5) Applications for consent to the transfer of control of a corporation which holds a construction permit or license.

(6) Proceedings initiated by the Commission on its own motion, or by any person other than the licensee or permittee, to modify a license or permit with respect to frequencies, authorized power or times of operation.

(7) Proceedings in which a matter listed in this paragraph (b) of this section has been consolidated for hearing with a matter not listed therein.

(c) Every notice of hearing issued by the Commission shall indicate whether this § 1.857 shall be applicable to the particular proceeding. Any party who objects to such designation, or to any other procedure relating to the hearing, shall, at least 5 days prior to the date

set for hearing, file a statement setting forth the grounds for his objection and specifying the procedures considered necessary and appropriate in the proceeding. Any other party may file an answer, at least 1 day prior to the date set for hearing, to such objection and specification, and may set forth such additional procedure as he considers necessary and appropriate. The absence of an objection by any party to the procedure designated by the Commission, or proposed by any other party, shall be deemed a waiver thereof.

§ 1.858 *The record.* The record shall include the transcript of testimony and exhibits, together with all papers and requests received for the record in the proceeding.

[SEAL] FEDERAL COMMUNICATIONS  
COMMISSION,  
WM. P. MASSING,  
Acting Secretary.

[F. R. Doc. 46-21718; Filed, Dec. 18, 1946;  
8:45 a. m.]

#### PART 1—RULES RELATING TO ORGANIZATION AND PRACTICE AND PROCEDURE

##### MISCELLANEOUS AMENDMENTS

DECEMBER 6, 1946.

To supplement the Commission's order of November 15, 1946, the Commission has adopted the attached amendments to Part I of the rules and regulations. There is also attached hereto an errata sheet for use in connection with the order of November 15, 1946.

The table of contents to Part 1 of the Commission's Rules and Regulations relating to Organization and Practice and Procedure is amended as follows:<sup>1</sup>

Sec.	
1.31	International Division.
1.102	Reconsideration with regard to action taken under delegation of authority.
1.313	Installation or removal of apparatus; broadcast and non-broadcast.
1.365	Amendments of applications.
1.366	Dismissal of applications.
1.377	Reference of application to Civil Aeronautics Administration.
1.391	Special waiver procedure relative to broadcast applications.
1.510	Inconsistent or conflicting applications.
1.547	Reports to be filed under Part 31 of the rules and regulations.
1.552	Reports regarding destruction of records.
1.560	Reports to be furnished regarding domestic telegraph speed of service.
1.726	Reconsideration or rehearing.
1.730	Oppositions.

TABLE III—TABLE SHOWING FORMS CURRENTLY IN EFFECT AND WHERE THEY ARE REFERRED TO IN PART I OF THE RULES AND REGULATIONS<sup>2</sup>

(Rev. Dec. 2, 1946)

Form No.:	Section
301.....	1.311 (a).
302.....	1.317 (b) (1).
	1.318 (b) (1).
303.....	1.320 (c) (1).
303A.....	1.320 (c) (2).
303B.....	1.320 (c) (3).

<sup>1</sup> 11 F. R. 177A-397.

<sup>2</sup> 11 F. R. 177A-393.

TABLE III—TABLE SHOWING FORMS CURRENTLY IN EFFECT AND WHERE THEY ARE REFERRED TO IN PART I OF THE RULES AND REGULATIONS—Continued

Form No.:	Section
304.....	1.311 (c).
	1.319 (b) (1).
305.....	1.311 (k).
306.....	1.328.
308.....	1.327.
309.....	1.311 (e).
310.....	1.317 (b) (2).
311.....	1.320 (c) (4).
312.....	1.319 (b) (3).
313.....	1.320 (c) (5).
314.....	1.321 (a) (b) (f).
315.....	1.321 (a) (b) (f).
316.....	1.321 (f).
317.....	1.325 (b).
318.....	1.311 (j).
319.....	1.311 (d).
320.....	1.317 (b) (3).
322.....	1.311 (h).
	1.319 (b) (2).
323.....	1.343 (a).
323A.....	1.343 (b).
324.....	1.341.
327.....	1.345.
328.....	1.321 (f).
329.....	1.321 (f).
330.....	1.311 (g).
333.....	1.311 (i).
	1.319 (b) (4).
335.....	1.311 (b).
336.....	1.347.
	1.557 (a).
337.....	1.347.
	1.557 (b).
338A.....	1.560.
339A.....	1.560.
340.....	1.311 (f).
401.....	1.312 (a).
401A.....	1.312 (b).
401B.....	1.312 (c).
401C.....	1.312 (d).
402.....	1.318 (b) (2).
403.....	1.317 (b) (4).
	1.319 (b) (5).
404.....	1.318 (b) (3).
404A.....	1.318 (b) (4).
	1.319 (b) (6).
	1.320 (c) (10).
405.....	1.320 (c) (6).
405A.....	1.320 (c) (7).
408.....	1.324 (c) (1).
409.....	1.324 (c) (2).
453B.....	1.324 (d).
455.....	1.312 (e).
457.....	1.329 (a).
500.....	1.318 (b) (5).
501.....	1.318 (b) (6).
501A.....	1.318 (b) (7).
	1.519 (b) (7).
	1.320 (c) (11).
502.....	1.320 (c) (8).
503.....	1.319 (b) (8).
602.....	1.318 (b) (9).
	1.320 (c) (9).
610.....	1.318 (b) (8).
	1.320 (c) (9).
701.....	1.314 (b).
702.....	1.322 (b) (1).
703.....	1.322 (b) (2).
756.....	1.329 (a).
756A.....	1.329 (a).
759.....	1.329 (c).
786.....	1.713 (a).
801.....	1.330 (a).
808.....	1.329 (b).
820.....	1.331.
901.....	1.545 (a).
903.....	1.545 (a).
905A.....	1.545 (a).
905B.....	1.545 (a).
H.....	1.544 (a) (1).
M.....	1.544 (a) (2).
O.....	1.544 (a) (3).
R.....	1.544 (a) (4).
Circular No. 1.....	1.544 (a) (5).
Circular No. 2.....	1.544 (a) (6).
Circular No. 3.....	1.544 (a) (7).



**Errata Sheet to Commission Order of November 15, 1946 Amending Part I of the Commission's Rules and Regulations**

In Item (12) "§ 1.121 (a)" should read: "§ 1.21 (n)".

In Item (30) the first line should read: "§ 1.365 Amendments of applications. (a) Any application may be".

In Item (31) the first line should read: "§ 1.366 Dismissals of applications. Any application may be dis-".

(4 (i), 48 Stat. 1066; 47 U. S. C. 154 (i))

Adopted: December 5, 1946.

[SEAL] FEDERAL COMMUNICATIONS  
COMMISSION,  
WM. P. MASSING,  
Acting Secretary.

[F. R. Doc. 46-21705; Filed, Dec. 18, 1946;  
8:46 a. m.]

**PART 8—RULES GOVERNING SHIP SERVICE REQUIREMENTS OF EMERGENCY OR RESERVE INSTALLATION**

At a session of the Federal Communications Commission held at its offices in Washington, D. C. on the 6th day of December 1946:

Whereas, §§ 8.114 (d) and 8.115 (k), respectively, of the Commission's Rules Governing Ship Service presently require all ships subject to Title III, Part II of the Communications Act of 1934, as amended, to have both an antenna "safety link" and an emergency antenna; and

Whereas, on November 19, 1946, the Commission duly published, and also distributed, a notice of proposed rule making proposing that § 8.115 (k) requiring an emergency antenna be deleted from Part 8 of the Commission's rules; and

Whereas, the above-mentioned notice invited comment, and the deadline date, November 29, 1946, for submitting comment has passed without any comment having been received;

Whereas, it appears that, in the public interest, convenience or necessity, ships subject to Title III, Part II, of the Communications Act of 1934, as amended should continue to have an antenna "safety link" as presently required by § 8.114 (d), but need no longer have an emergency antenna as presently required by § 8.115 (k);

It is ordered, That § 8.115 (k) Requirements of emergency or reserve installation be, and it is hereby, deleted from the Commission's rules and regulations.

It is further found and ordered, That whereas authority for this deletion is contained in sections 303 (r) and 356 of the Communications Act of 1934, as amended, and such deletion is for the purpose of removing a restriction, this amendment should be, and is hereby, made effective immediately.

(Sec. 303, 48 Stat. 1082, secs. 5, 6 (a), b), 50 Stat. 190; 47 U. S. C. 303)

[SEAL] FEDERAL COMMUNICATIONS  
COMMISSION,  
T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21707; Filed, Dec. 18, 1946;  
8:49 a. m.]

**TITLE 49—TRANSPORTATION AND RAILROADS**

**Chapter I—Interstate Commerce Commission**

**Subchapter A—General Rules and Regulations**

**PART 22—CARRIERS BY WATER: UNIFORM SYSTEM OF ACCOUNTS**

**ORDER VACATING ORDER**

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 7th day of November A. D. 1946.

The matter of a uniform system of accounts for carriers by water being under consideration by the division pursuant to the authority of section 20 of part I and section 313 of part III of the Interstate Commerce Act, and

It appearing, that the "Uniform System of Accounts for Carriers by Water, First Revised Issue," was prescribed by order dated December 11, 1941, as subsequently amended, and

It further appearing, that carriers now subject to the provisions of the said order of December 11, 1941, will in the future be required to comply with either the "Uniform System of Accounts for Carriers by Inland and Coastal Waterways," prescribed by order dated November 7, 1946, or the "Uniform System of Accounts for Operating-Differential Subsidy Contractors," issued by the Maritime Commission; it is ordered, that:

1. *Order vacated.* The said order of December 11, 1941, as amended, be, and it hereby is, vacated and set aside.

2. *Effective date.* This order shall become effective January 1, 1947.

3. *Notice.* A copy of this order shall be served upon every carrier by water and every lessor of such carrier subject to the Act, and upon every trustee, receiver, executor, administrator, or assignee of any such carrier by water or lessor, and notice of this order shall be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

By the Commission, Division 1.

[SEAL] W. P. BARTEL,  
Secretary.

[F. R. Doc. 46-21604; Filed, Dec. 18, 1946;  
8:46 a. m.]

[Rev. S. O. 112, Amdt. 7]

**PART 95—CAR SERVICE**

**DESTINATION FREE TIME ON FRESH OR GREEN FRUITS OR VEGETABLES**

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 12th day of December A. D. 1946.

Upon further consideration of Revised Service Order No. 112 (9 F. R. 11278-79) as amended (9 F. R. 12656; 10 F. R. 341, 8367, 14575; 11 F. R. 2383, 10304), and good cause appearing therefor: it is ordered, that:

Section 95.112 *Destination free time on fresh or green fruits or vegetables*, of Revised Service Order No. 112, as amended, be, and it is hereby, further amended by substituting the following paragraph (i) for paragraph (i) thereof:

(i) *Expiration date.* This section and all amendments shall expire at 7:00 a. m., June 30, 1947, unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, that this amendment shall become effective at 12:01 a. m., December 18, 1946; that a copy of this order and direction be served upon the State railroad regulatory bodies of each State, and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402; 41 Stat. 476, sec. 4; 54 Stat. 901; 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL,  
Secretary.

[F. R. Doc. 46-21684; Filed, Dec. 18, 1946;  
8:47 a. m.]

[S. O. 369, Amdt. 8]

**PART 95—CAR SERVICE**

**DEMURRAGE CHARGES ON CLOSED BOX CARS**

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 12th day of December A. D. 1946.

Upon further consideration of Service Order No. 369 (10 F. R. 14030), as amended (10 F. R. 15073; 11 F. R. 639, 2383, 7857, 8453, 10304, 11013), and good cause appearing therefor: it is ordered, that:

Section 95.369 *Demurrage charges on closed box cars*, of Service Order No. 369, as amended, be, and it is hereby, further amended by substituting the following paragraph (e) for paragraph (e) thereof:

(e) *Expiration date.* This section shall expire at 7:00 a. m., June 30, 1947, unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, that this amendment shall become effective at 12:01 a. m., December 18, 1946; that a copy of this order and direction be served upon the State railroad regulatory bodies of each State, and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402; 41 Stat. 476, sec. 4; 54 Stat. 901; 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL,  
Secretary.

[F. R. Doc. 46-21685; Filed, Dec. 18, 1946;  
8:51 a. m.]



[S. O. 370, Amdt. 5]

## PART 95—CAR SERVICE

## DEMURRAGE ON STATE BELT RAILROAD OF CALIFORNIA

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 12th day of December A. D. 1946.

Upon further consideration of Service Order No. 370 (10 F. R. 14031), as amended (10 F. R. 15176; 11 F. R. 639, 2383, 10304), and good cause appearing therefor: it is ordered, that:

Section 95.370 *Demurrage on State Belt Railroad of California* of Service Order No. 370, as amended, be, and it is hereby, further amended by substituting the following paragraph (d) for paragraph (d) thereof:

(d) *Expiration date.* That section shall expire at 7:00 a. m., June 30, 1947, unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, that this amendment shall become effective at 12:01 a. m., December 18, 1946; that a copy of this order and direction be served upon the California State Railroad Commission and the State Belt Railroad of California, and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402; 41 Stat. 476, sec. 4; 54 Stat. 901; 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL]

W. P. BARTEL,  
Secretary.

[F. R. Doc. 46-21686; Filed, Dec. 18, 1946;  
8:51 a. m.]

[S. O. 648, Amdt. 2]

## PART 95—CAR SERVICE

## PERMITS REQUIRED FOR BULK GRAIN

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 12th day of December A. D. 1946.

Upon further consideration of Service Order No. 648 (11 F. R. 14171), as amended (11 F. R. 14245), and good cause appearing therefor, it is ordered, that:

Section 95.648, *Permit required for bulk grain*, of Service Order No. 648, be, and it is hereby, further amended by substituting the following paragraph (d) (2) for paragraph (d) (2) thereof:

(d) *Appointment of Agents.* \* \* \*

(2) The following Permit Agents are hereby designated and appointed by the Interstate Commerce Commission for the purpose of accepting applications and issuing the permits required by paragraph (b) of this section;

No. 246—3

## Permit Agent, Address, and Station

H. H. Foreman, 552 New Customhouse, Denver 2, Colo.: Denver, Colo.

E. R. Weimer, 302 U. S. Courthouse, Kansas City, Mo.: Atchison, Hutchinson, Salina, Newton, Topeka, Whitewater, Wichita, Kans.; Kansas City and St. Joseph, Mo.

J. E. Youngman, 938 New Federal Bldg., St. Louis, Mo.: St. Louis, Mo.

L. A. Denison, 415B U. S. Post Office, Omaha, Nebr.: Fremont and Omaha, Nebr.; Council Bluffs, Iowa.

C. T. Aspelmier, J. G. Harris, 505 Burt Bldg., Dallas, Tex.: Enid and Thomas, Okla., Amarillo, Dallas, Greenville, Plainview and Ft. Worth, Texas.

It is further ordered, that this amendment shall become effective at 12:01 a. m., December 14, 1946; that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement, under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, Sec. 402; 41 Stat. 476, sec. 4; 54 Stat. 901; 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL]

W. P. BARTEL,  
Secretary.

[F. R. Doc. 46-21687; Filed, Dec. 18, 1946;  
8:52 a. m.]

[Rev. S. O. 558, Amdt. 2]

## PART 95—CAR SERVICE

## REFRIGERATOR CARS FOR FRUIT AND VEGETABLE CONTAINERS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 12th day of December A. D. 1946.

Upon further consideration of Revised Service Order No. 558 (11 F. R. 11817), as amended (11 F. R. 12233), and good cause appearing therefor: it is ordered, that:

Section 95.558 *Substitution of refrigerator cars for box cars, to transport fruit and vegetable containers and box shooks*, of Revised Service Order No. 558, be, and it is hereby, further amended by substituting the following paragraph (d) for paragraph (d) thereof:

(d) *Expiration date.* This section shall expire at 11:59 p. m., June 30, 1947, unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, that this amendment shall become effective at 12:01 a. m., December 20, 1946; that a copy of this order be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington,

D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402; 41 Stat. 476, sec. 4; 54 Stat. 901; 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL]

W. P. BARTEL,  
Secretary.

[F. R. Doc. 46-21688; Filed, Dec. 18, 1946;  
8:52 a. m.]

## Subchapter C—Carriers by Water

## PART 324—UNIFORM SYSTEM OF ACCOUNTS FOR CARRIERS BY INLAND AND COASTAL WATERWAYS

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 7th day of November A. D. 1946.

The matter of a uniform system of accounts for carriers by water being under consideration by the division pursuant to the authority of section 20 of part I and section 313 of part III of the Interstate Commerce Act, and

It appearing, that the order of December 11, 1941, as subsequently amended, prescribing the "Uniform System of Accounts for Carriers by Water, First Revised Issue," is being vacated by order dated November 7, 1946, and

It further appearing, that the "Uniform System of Accounts for Carriers by Inland and Coastal Waterways," which is attached hereto and made a part hereof, is necessary for purposes of administration of the provisions of part I and part III of the act, and

It further appearing, that this proceeding was initiated prior to the effective date of the Administrative Procedure Act, and that under the provisions of section 12 of that act publication of a general notice of proposed rule-making as contemplated by section 4 of the act was not necessary.

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**AUTHORITY:** §§ 324.01 to 324.7-601, inclusive, issued under 54 Stat. 917 and 944; 49 U. S. C. 20 (3) and 313 (c).

**SPECIAL NOTE:** In the regulations under Part 324 of this chapter the numbers assigned to sections thereof include as a whole number, following the dash, the number of the prescribed account. Where references throughout the regulations are to an account, as such, only the account number portion of the section number is used. A table showing the relationship between account numbers and section numbers follows.

Account number:	Section number
100-140.....	324.1-100-324.1-140.
141.....	324.2-141.
143, 144.....	324.2-143, 324.2-144.
145.....	324.1-145.
146-148.....	324.2-146-324.2-148.
149-152.....	324.1-149-324.1-152.
153, 154.....	324.2-153, 324.2-154.
155.....	324.1-155.
156.....	324.2-156.
157-250.....	324.1-157-324.1-280.
281-287.....	324.3-281-324.3-287.

Account number:	Section number
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301-355.....	324.6-301-324.6-355.
400.....	324.5-400.
401-495.....	324.7-401-324.7-495.
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521-534.....	324.5-521-324.5-534.
601.....	324.7-601.

#### INTRODUCTION

§ 324.01 *Order of the Commission.* It is ordered, that:

(a) *Accounts prescribed.* All carriers by water operating on inland and coastal waterways and every lessor thereof subject to the provisions of the Interstate Commerce Act, and every trustee, receiver, executor, administrator, or assignee of any such carrier or lessor, shall comply with the "Uniform System of Accounts for Carriers by Inland and Coastal Waterways".

(b) *Effective date.* This order shall become effective January 1, 1947.

(c) *Notice.* A copy of this order shall be served upon every carrier by water on inland and coastal waterways and every lessor thereof subject to the act, and upon every trustee, receiver, executor, administrator, or assignee of any such carrier or lessor, and that notice of this order be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

*Abstract from law; authority for Uniform System of Accounts.* This "Uniform System of Accounts for Carriers by Inland and Coastal Waterways" is prescribed under parts I and III of the Interstate Commerce Act, of which section 313 (c) of part III reads as follows: "The Commission may, in its discretion, for the purpose of enabling it the better to carry out the purposes of this part, prescribe a uniform system of accounts applicable to any class of water carriers, and a period of time, within which such class shall have such uniform system of accounts, and the manner in which such accounts shall be kept."

**NOTE:** For comparable provisions, under part I, see section 20 (3).

§ 324.02 *Classification of carriers.* (a) For the purpose of this system of accounts, carriers by water are divided into two classes as follows:

*Class A.* Companies having average annual operating revenues exceeding \$500,000.  
*Class B.* Companies having average annual operating revenues exceeding \$100,000 but not more than \$500,000.

*Class A* companies shall keep all of the accounts of this system of accounts which are applicable to their affairs.

*Class B* companies shall keep all of the accounts of this system of accounts which are applicable to their affairs, except that their accounts for operating revenues and operating expenses may be kept under the accounts of the condensed classification provided herein.

(b) No uniform system of accounts has been prescribed for companies having average annual operating revenues of \$100,000 or less.

**NOTE:** Carriers by water subject to these regulations shall adopt the class of operating accounts indicated by the average of their annual operating revenues for 3 years immediately preceding the effective date of this

uniform system of accounts. If subsequently at the close of any calendar year the average of such annual revenues for the 3 latest years is more or less than the amount applicable to the class in which the carrier has been accounting, the appropriate class of operating accounts based on such average shall be adopted. New companies shall estimate the amount of their annual operating revenues and adopt the class of operating accounts appropriate for the amount of such estimated revenues.

#### GENERAL INSTRUCTIONS

§ 324.1 *Records.* (a) The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries in the accounts.

(b) Where the general book entries do not contain complete information, they shall be supported by other detail records, cross-referenced for ready identification.

(c) All records shall be filed in such manner as to be readily accessible for examination by representatives of the Commission.

(d) Attention is directed to the following extract from section 313 of part III (for comparable provision see section 20 of part I) of the Interstate Commerce Act:

(g) The Commission may issue orders specifying such operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, or documents of water carriers or lessors as may, after a reasonable time, be destroyed, and prescribing the length of time the same shall be preserved.

The Commission's order specifying the records which may be destroyed is contained in its "Regulations to Govern the Destruction of Records."

(e) All accounts kept shall conform in numbers and titles to those prescribed herein, except that:

(1) Carriers may subdivide the accounts provided such subdivision does not impair the integrity of the accounts prescribed.

(2) The titles of all subdivisions or subaccounts shall refer by number or title to the accounts of which they are subdivisions.

(3) When subaccounts are thus kept, it is not required that the main accounts of which they are subdivisions shall also be kept in the carrier's books.

(f) Clearing accounts may be kept when necessary or useful in making the proper distribution of items to the appropriate primary accounts.

(g) The accounts for each month shall be recorded currently so that all transactions applicable to each month, as nearly as may be ascertained, shall be entered in the books of the carrier. Each carrier shall close its books as of the end of the calendar year.

§ 324.2 *Definitions.* When used in this system of accounts the term:

(a) "Actually issued" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the carrier means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property) under the condition that the purchaser secured them free from all



control by the issuing carrier; also securities issued as dividends on stock.

(b) "Actually outstanding" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the carrier means those which have been "actually issued" and are neither retired nor held by or for the carrier.

(c) "Additions" are structures, facilities, or equipment added to transportation property in existence and not replacing property retired.

(d) "Affiliated companies" means companies or persons that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting carrier.

NOTE: Where reference is made to control (in referring to a relationship between any person or persons and another person or persons), such reference shall be construed to include actual as well as legal control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation, through or by common directors, officers, or stockholders, a voting trust or trusts, a holding or investment company or companies, or through or by any other direct or indirect means; and to include the power to exercise control.

(e) "Book cost" means the amount at which assets are recorded in the accounts of the carrier without deduction of any related reserves or other items. If the book cost of units and minor items of property retired cannot be definitely determined from the carrier's records, the book cost of such items shall be estimated.

(f) "Book liability" means the amount at which liabilities (including securities issued or assumed by the carrier) are recorded in the accounts of the carrier.

(g) "Carrier" when not otherwise indicated in the context, means the accounting carrier.

(h) "Cost of removal" means the cost of demolishing, or otherwise disposing of transportation property, and recovering the salvage.

(i) "Component rates" as applied to depreciation accounting means the rates applied to the various subclasses of property within a primary account in arriving at the depreciation charge.

(j) "Debt expense" as applied to funded debt means all expense in connection with the issue and sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper having a life of more than one year; fees paid trustees, specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges, and other like costs.

(k) "Delayed items" means items relating to transactions which occurred before the current calendar year, but which were not recorded in the books of account in such prior years. It includes adjustments of errors in the operating revenue, operating expense, or income accounts of prior years.

(l) "Depreciable accounts" are those in which is recorded the cost of property for which depreciation accounting is required.

(m) "Depreciation" means the loss in service value not restored by current maintenance, and incurred in connection with the consumption or prospective retirement of physical property in the course of service from causes against which the carrier is not protected by insurance, which are known to be in current operation, and whose effect can be forecast with a reasonable approach to accuracy.

(n) "Discount" as applied to securities issued or assumed by the carrier means the excess of the par or face value of the securities, plus interest or dividends accrued at the date of the sale, over the current money value of the consideration received at their sale.

(o) "Fixed improvements" means buildings, wharves, docks, and other structures attached to the land, including fixtures, machinery, and other appurtenances.

(p) "Investment advances" means advances, represented by notes or by book accounts, which it is mutually agreed or intended between the creditor and the debtor shall be settled by the issuance of capital stock or funded debt or carried with no intention of making settlement.

(q) "Minor items" means any part of physical property which is not designated as a unit of property.

(r) "Nominally issued" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the carrier means those which have been signed, certified, or otherwise executed and placed with the proper officer for sale, or pledged or otherwise placed in some special fund of the carrier, but which have not been sold.

(s) "Nominally outstanding" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the carrier means those which after being actually issued have been reacquired by or for the carrier under such circumstances as require them to be considered as held alive and not retired.

(t) "Nonaffiliated companies" means all companies other than those defined as affiliated.

(u) "Noncarrier property" means property neither used in nor held for transportation service.

(v) "Nondepreciable accounts" are those in which are recorded the book cost of those classes of transportation property for which no charges to operating or other accounts for depreciation are permitted.

(w) "Premiums" as applied to securities issued or assumed by the carrier means the excess of the current money value of the consideration received at their sale over the sum of their par or face value plus interest or dividends accrued at the date of the sale.

(x) "Property retired" means physical property which has been permanently withdrawn from transportation service.

(y) "Retirement" as applied to physical property means the permanent withdrawal of the property from transportation service.

(z) "Replacement" means the installation of physical property in substitution for other property which has been retired.

(aa) "Service life" means the period of time between the installation of a unit of property and its retirement.

(bb) "Service value" is the book cost of property retired plus the cost to the carrier of demolishing the property and recovering the salvage, less the value of the salvage.

(cc) "Straight-line method" as applied to depreciation accounting means the plan under which the annual depreciation charge is computed by applying such percentage rates to the book cost of items of depreciable property as will distribute their estimated service value in equal annual charges as nearly as may be to operating expenses and other accounts over their service lives.

(dd) "These accounts" means the accounts of the particular group to which the instruction relates.

(ee) "Time of installation" means the date at which property is completed and placed in transportation service.

(ff) "Time of retirement" means the date at which property is permanently withdrawn from the transportation service.

(gg) "Unit plan" means the plan under which depreciation charges are computed and the records maintained so that the total amount of depreciation accruals applicable to each unit can be determined.

(hh) "Value of salvage" means the amount received for transportation property retired and disposed of, or the amount at which material recovered will be charged if reused. In the event property is sold before it has reached the end of its useful life the amount received from the sale, less the expenditures incurred in connection therewith, shall be the value of the salvage.

§ 324.3 *Unaudited items.* When the amount of any item affecting revenues, expenses, or income cannot be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and included in the proper accounts and debited or credited to the appropriate balance-sheet account. When the item is audited the necessary adjustment shall be made through the accounts in which the estimate was recorded. If, during the interval between the date of inclusion of the item in the accounts and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustment shall be made in the current accounts to cover such difference. The carrier is not required to anticipate items which would not appreciably affect the accounts.

§ 324.4 *Delayed items and adjustments.* Delayed items and adjustments except adjustments pertaining to account 149, "Depreciation reserve—Transportation property," arising during the current year which are applicable to prior accounting periods, shall be included in the same accounts which would have been credited or charged if the item



had been taken up or adjusted in the period to which it pertained. When the amount of the delayed item is relatively so large that its inclusion in the appropriate account for the current year would seriously distort the revenues, expenses, or income for the year, the amount of the item shall be included in the accounts in income provided for delayed items.

§ 324.5 *Insurance.* (a) The amount of all insurance premiums paid in advance, other than those covering property under construction, shall be included in account 172, "Prepayments," and equitably distributed to the accounts of the period to which applicable except that minor premiums may be so distributed when audited. The cost of insurance shall be charged in accordance with the character of the loss or damage insured against.

(b) The following provisions apply if the carrier elects to insure its own risks and provides a reserve to equalize losses which may be sustained:

(1) The charges to the appropriate accounts and credits to the insurance-reserve account shall be upon the basis of rates which will fairly cover the risks insured. These rates shall be determined according to the carrier's experience and best estimates as to the hazard covered. The rates charged shall be reasonable and in no case shall they be in excess of commercial rates.

(2) Schedules of risks covered by the reserve shall be maintained giving a description of the property or the character of risks covered.

(3) If the carrier reinsures with insurance companies the risks initially covered by the insurance reserves, the premiums for such reinsurance shall be charged and amounts recovered from such commercial insurance shall be credited to the insurance reserve.

(c) The accounting in connection with claims covered by insurance shall be as follows:

(1) Units of property destroyed by casualties shall be accounted for as retired and the amount recoverable from insurance companies or chargeable to the insurance reserve shall operate to reduce the service value. No charge shall be made to the depreciation reserve for service value of property covered by insurance until the amount of insurance recovered has been exhausted; and correspondingly no profit from insurance shall be recognized unless an amount is recovered in excess of the cost of the property insured.

(2) The amount of claims covered by insurance shall be charged to account 170, "Claims pending." As the claims are completed and presented for collection, the amounts collectible shall be cleared from that account to account 108, "Claims receivable," and any uncollected balance in account 170, "Claims pending," with respect to such claim shall be cleared to the appropriate accounts to which chargeable.

§ 324.7 *Securities or other assets pledged.* The carrier shall maintain a record of securities or other assets owned, which have been pledged as collateral security for any of its funded

debt, short-term loans, or other obligations. The record shall be kept in such manner as to show with respect to a particular obligation the identity of the securities or other assets pledged as collateral.

§ 324.8 *Interpretation of item lists.* List of "items" appearing in the texts of the accounts are given for the purpose of clearly indicating the application of the prescribed accounting rules. The *ajqjnpouj suajj ije asiduoq jou op stj* in the accounts, but merely are representative. On the other hand, the appearance of an item in a list warrants its inclusion in the account only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list.

§ 324.9 *Submission of questions.* To promote and maintain uniformity of accounting the carrier shall submit all questions of doubtful interpretation of the prescribed accounting rules to the Commission for consideration and decision.

§ 324.11 *Depreciation accounting.* The accounting for depreciation shall be in accordance with the following:

(a) *Computing and filing of depreciation rates.* (1) If percentage rates have not been prescribed, the carrier shall file with the Commission component annual percentage rates estimated to be applicable to the book cost of each class of depreciable transportation property owned by it. These percentage rates shall be based on the estimated service values and service lives developed by a study of the carrier's history and experience and such engineering and other information as may be available with respect to prospective future conditions. They shall be such that the service value of the property may be distributed under the straight-line method to operating expenses during its service life. The annual percentage rates, when filed, shall be accompanied by a statement showing the bases therefor and the methods employed in their computation.

(2) In the event annual percentage rates prescribed by the Commission are no longer considered currently applicable, the carrier shall file revised annual percentage rates which in its judgment should be established. Where property is acquired for which no rates have been prescribed, the carrier shall compile and submit to the Commission appropriate estimates.

(3) The carrier shall keep such records of depreciable property and property retirements as will reflect the service life of property which has been retired, or will permit the determination of service-life indications by mortality, turnover, or other appropriate methods; also such records as will reflect the percentage of value of the salvage for property retired from each class of depreciable property. The carrier shall at any time, upon direction of the Commission, compute and submit for approval revised percentage rates in cases where existing rates are deemed inapplicable.

(b) *Depreciation charges.* All depreciation charges to operating expenses, and concurrent credits to the depreciation reserve shall be made monthly. In

computing such monthly charges and credits, the prescribed annual percentage rates shall be applied to the book cost recorded in the respective primary accounts as of the first of each month and the result divided by twelve.

(c) *Depreciation rates.* A separate component annual percentage rate for each class of depreciable property shall be used in computing depreciation charges. Such rates shall be those prescribed by the Commission, except that where no rates have been prescribed, the carrier's estimate shall be used until rates are prescribed.

(d) *Depreciable property accounts.* Depreciable property accounts are as follows:

- 141. Line equipment.
- 143. Harbor equipment.
- 144. Miscellaneous floating equipment.
- 146. Buildings and other structures.
- 147. Office and other terminal equipment.
- 148. Motor and other highway vehicles.

(e) At the time of retirement of depreciable property the amount of depreciation accrued and included in account 149, "Depreciation reserve—Transportation property," with respect to the particular unit or item retired shall be charged thereto, and any difference between the service value of the particular unit or item retired and the amount charged to account 149 shall be included in account 412, "Depreciation adjustment."

(f) Amounts recoverable from insurance companies or chargeable to the insurance reserve to cover loss from retirement of depreciable property protected by insurance shall be included in account 412, "Depreciation adjustment." In case the insurance recoverable is in excess of the book cost of the property retired, such excess shall be credited to account 282, "Credits from transportation property retired."

(g) If it develops that the balance in the reserve is inadequate or excessive, the carrier may with approval of the Commission adjust the reserve and charge account 285, "Miscellaneous debits," or credit account 283, "Miscellaneous credits," as appropriate. The carrier's application to the Commission shall give full particulars.

(h) *List of accounting units of property.* The following list of units of floating equipment and other transportation property is established for the purpose of designating items of physical property included in each depreciable account, the book cost of which, if not less than \$500, shall be credited to the respective property accounts at time of retirement. The replacement of items of property costing less than \$500 shall be charged to the appropriate maintenance account and no adjustment is required of the property account. Upon application to the Commission a minimum lower than \$500 may be authorized.

The book cost of all property retired and not replaced shall be credited to the transportation property accounts.

#### I. FLOATING EQUIPMENT—VESSELS

##### 141. Line equipment:

A barge, canal boat, ferry boat, lighter, motor ship, motor launch, power boat, power ship, sailing vessel, steamboat, steamship,



tug boat, or other complete unit of floating equipment.

A complete propulsion engine, boiler, propulsion motor, or generator for propulsion power.

## II. OTHER FLOATING EQUIPMENT

### 143. Harbor equipment:

A barge, car or other float, ferry boat, lighter, motor launch, transfer boat, tug boat, or other complete unit of floating equipment.

A complete propulsion engine, boiler, propulsion motor or generator for propulsion power.

### 144. Miscellaneous floating equipment.

A float or other complete unit of floating equipment.

A complete propulsion engine, boiler, propulsion motor or generator for propulsion power.

A complete derrick, dredge, or pile driver.

## III. TERMINAL PROPERTY AND EQUIPMENT

### 146. Buildings and other structures:

A complete building.

A complete platform not an integral part of a building. Complete paving at a terminal.

A complete fence.

A complete heating, lighting, ventilating, water-supply, air-conditioning, plumbing, or drainage system.

A complete elevator system.

A motor, generator, steam engine, pump, ventilating fan, air washer, elevator drum, machine tool, or similar item of equipment.

A fuel station.

A refrigerator plant.

A section of track.

A complete toilet-room equipment.

A dust-collecting system.

A complete slip.

A complete wharf.

A ferry bridge.

A float bridge.

A complete unit of machinery equipment for transferring and handling coal or ore.

### 147. Office and other terminal equipment:

Any article of furniture, office appliance, engineering instrument or other complete unit of equipment costing \$500 or more.

### 148. Motor and other highway vehicles:

A complete vehicle.

A motor.

A trailer.

A semitrailer.

**§ 324.12 Amortization of investment in leased property.** Under the conditions that improvements made by the lessee to leased property revert to the lessor at the termination of the lease, the amount of such improvements shall be amortized over the life of the lease through charges to account 413, "Amortization of investment—Leased property."

## BALANCE-SHEET INSTRUCTIONS

**§ 324.21 Purpose of balance-sheet accounts.** The balance-sheet accounts are intended to disclose the financial condition of the carrier as of a given date by showing the assets, liabilities, capital stock, and surplus or deficit of the carrier.

**§ 324.22 Current assets.** (a) In the group of accounts designated as current assets shall be included cash, those assets which are readily convertible into cash or held for current use in operations, current claims against others, and amounts accruing to the carrier which are subject to current settlement.

(b) There shall not be included in this group any item the collection of which is not reasonably assured by the known

financial condition of the debtor. Items of current character but of doubtful value shall be written down or written off by charges to account 109, "Reserve for doubtful accounts." Items of a noncurrent character shall be included in account 166, "Other deferred assets," at an amount not in excess of a reasonable estimate of future value. If it is desired to retain a record of assets written off, they shall be recorded at a nominal value in account 166, "Other deferred assets."

### § 324.23 Book cost of securities owned.

(a) Securities of others acquired by the carrier shall be recorded in these accounts at the money value, at time of acquisition, of the consideration given therefor by the carrier, but excluding amounts paid for accrued interest and dividends.

(b) The carrier shall write down such book cost in recognition of a decline in the value of the securities, but fluctuations in market values shall not be recorded. A permanent impairment in the values of the securities shall be recognized, and they shall be written down to a fair value, or written off if there is no reasonable prospect of future value. The amount of such adjustment shall be debited to account 285, "Miscellaneous debits."

(c) When securities with a fixed maturity date are purchased at a discount or premium (i. e., when the total cost, including brokerage, taxes, commissions, etc., is less or more than par), such discount or premium may be amortized over the remaining life of the securities, through periodic debits in the case of discount, and periodic credits in the case of premium, to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and with corresponding credits and debits to the account in which the interest income is recorded.

(d) No debits, however, shall be recorded in respect of discount upon securities held as investments, or in special funds, if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par value or the par value will not be collected at date of maturity.

**§ 324.24 Company securities owned.** Securities actually issued or assumed by the carrier which have been reacquired shall be either retired or if not retired, carried in accounts 191, "Reacquired capital stock," or 190, "Reacquired long-term debt," unless it is required by provisions of a mortgage or by decision of a trustee, not subject to control by the carrier, that funded debt securities be retained alive in sinking or other special funds. Reacquired securities not retired shall be shown at par or face value.

**§ 324.25 Income from sinking and other reserve funds.** (a) When interest and other income arising from funds are required by the mortgage or other provisions to be held in the funds, the amounts shall be charged to the appropriate fund. If such fund was established by reservations of income or surplus, amounts so set aside shall be charged to the appropriate income or earned surplus ac-

count and credited to earned surplus appropriated.

(b) Accretions representing interest, dividends, or other returns accrued on fund investments and retainable in such funds, shall, at the time such accretions are charged to the fund, be credited to account 505, "Income from sinking and other special funds," and also charged to account 533, "Miscellaneous reservations of income," with concurrent credit to earned surplus appropriated.

**§ 324.26 Discount, expense, and premium on capital stock.** (a) Separate ledger accounts shall be kept in which to record discount suffered, expense incurred, and premium realized at the sale of each class and series of capital stock issued, or assumed by the carrier; also in which to record general levies or assessments against stockholders for each class and series of capital stock against which levies or assessments are made.

(b) The debit balances in the ledger accounts for discount and expense shall be included in account 243, "Discount and expense on capital stock," and the credit balances in the ledger accounts for premiums, levies, or assessments shall be included in account 242, "Premiums and assessments on capital stock."

(c) Discount and expense on capital stock may be amortized by charges to income account 531, "Miscellaneous amortization charges to income," or discount and expense may be retained and carried in account 243 until the stock to which the discount and expense apply is retired. Premiums and assessments on capital stock shall be carried in account 242 until the stock to which the premiums and assessments apply is retired.

(d) When an issue of capital stock or any part thereof is reacquired, it shall be retired or carried in account 191, "Reacquired capital stock," at par, or if nonpar stock, at the pro rata proportion at which it is carried in account 240, "Capital stock—Total book liability," unless it is required that it be retained alive in sinking or other funds. The difference between the amount paid for the reacquired capital stock and the amount includible in account 191, "Reacquired capital stock," combined with the recorded premium or discount and expense in respect to the reacquired capital stock at the date reacquired, shall be included in account 250.1, "Paid-in surplus." In no event, however, shall net debits exceed the accumulated credits in account 250.1, "Paid-in surplus," applicable to the particular class of capital stock reacquired. Any excess of debits over the accumulated credits in account 250.1 shall be charged to account 285, "Miscellaneous debits."

(e) When reacquired capital stock is resold, the amount included in account 191, "Reacquired capital stock," shall be credited thereto and the accounting for premiums, discounts, commissions, and expenses in connection with the resale shall be the same as in connection with the original sale.

**§ 324.27 Discount, premium, and expense on long-term debt.** (a) Separate discount, premium, and debt expense ledger accounts shall be kept in which to include both discount suffered, premium realized, and expense incurred, in



connection with the sale of each class and series of long-term debt (including receivers' and trustees' securities) issued or assumed by the carrier.

(b) Each month there shall be credited to each account in which there is a debit balance, such proportion (based upon the ratio of the period to the remaining life of the security) of the debit balance therein as is applicable to the period. The amounts thus credited shall be concurrently charged to account 530, "Amortization of discount on long-term debt." Correspondingly, each month there shall be charged to each account in which there is a credit balance a similar proportion of the credit balance therein applicable to the period. The amounts thus charged shall be concurrently credited to account 506, "Release of premium on long-term debt."

(c) Except as provided in instruction 44-I, no part of the balance for discount, premium, and expense on long-term shall be included as part of the cost of acquiring property or part of the cost of operation.

(d) Except as otherwise provided in this instruction, the balance in each account shall be carried until the reacquirement of the securities to which it relates at which time the proportion (based on the relation of the amount reacquired to the total outstanding before reacquirement) of the balance in the account for the particular class of long-term debt reacquired shall be closed to account 283, "Miscellaneous credits," or account 285, "Miscellaneous debits," as may be appropriate.

(e) In stating the balance sheet, if the net in the ledger accounts for all classes of long-term debt outstanding is a debit balance, the amount shall be included in account 174, "Debt discount and expense," and if a credit balance, the amount shall be included in account 231, "Premium on long-term debt."

**§ 324.28 Conversion of securities.** Journal entries which record the reacquirement of capital stock or funded-debt securities by issuing in exchange therefor the carrier's capital stock or funded debt securities, shall be submitted to the Commission for approval before they are spread upon the carrier's books. The text of such entries shall give complete information concerning the plan of exchange, the authority of the regulatory body with respect thereto, if any; and the basis upon which the amounts in the entries have been determined.

**§ 324.29 Contingent assets and liabilities.** (a) Contingent assets represent possible sources of value to the carrier contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the carrier but are not obligations at the date of the balance sheet.

(b) Contingent assets and liabilities shall not be included in these accounts, but such records shall be kept as will enable the carrier to report all items of significant amount. If the contingent assets and liabilities become actual, they shall be included in the appropriate ac-

counts herein, and prior to such time they shall be shown in a supplemental statement accompanying the carrier's balance sheet.

**§ 324.30 Reorganizations.** (a) Where a carrier involved in receivership or bankruptcy is so reorganized as to preserve in whole or in part the interests of its owners and creditors, whether through the owning corporation or a successor corporation, or is a company resulting from reorganization of a carrier in any other manner, and such carrier or company emerges from such reorganization as the owner of investments, it shall at the time of recording such investments on its books include in account 151, "Acquisition adjustment," the net difference between the total of accounts 100 to 191, inclusive, and the total of accounts 200 to 245, inclusive, as those accounts are properly adjusted under the reorganization plan.

(b) The carrier shall apply to the Commission for permission to use the adjustment account, so far as it is adequate, for the adjustment of all differences between amounts originally set up with respect to such investment items and the values of such items as finally determined; and earned surplus shall be affected only by losses and gains clearly attributable to operations subsequent to date of reorganization.

#### PROPERTY INSTRUCTIONS

**§ 324.41 Purpose of the property accounts.** The primary property accounts are designed to show an accounting analysis of the book cost of:

- (1) Property owned and used by the carrier in its transportation service.
- (2) Property owned by the carrier and leased to others for transportation service.

**§ 324.42 Basis of charges.** The costs includible in these accounts, except as provided in instructions 45 and 49, are actual money costs to the carrier. When the consideration for the acquisition of property is other than money, the current cash value of such consideration shall be recorded as the cost of the property acquired.

**§ 324.44 Cost of construction.** The cost of the construction of transportation property chargeable to these accounts shall include the following:

(a) "Cost of labor" includes the amount paid for labor performed by the carrier's employees. The salaries and expenses of engineers and other officers specifically assigned to construction work shall be included in the accounts appropriate for the cost of the property in connection with which their services are rendered. No charge shall be made to these accounts for the pay of operating officers and members of their staffs who merely render service incidentally in connection with construction work.

NOTE: The office, traveling, and other personal expenses of officers and employees shall be included in the accounts to which their pay is chargeable, except that traveling and incidental expenses incurred by operating officers and members of their staffs while rendering service incidentally in connection

with construction shall be included in the cost of the work upon which they are incidentally engaged.

(b) "Cost of material, supplies, and small tools" includes the purchase price at the point of free delivery, plus costs of royalties, if any, inspection, loading, transportation, and an equitable proportion of store expenses.

In determining the cost of material used, proper allowance shall be made for the value of unused portions, small tools recovered and used for other purposes, and all other salvage.

NOTE: The cost of individual items of equipment of small value (\$25.00 or less) or of short life, including small tools, shall not be charged to the cost of construction unless the correctness of the accounting is verified by current inventories, but shall be charged to operating expenses.

(c) "Special-machine service" includes the cost of material and supplies used in operating the carrier's machines and work equipment; it also includes expenditures for the rental, maintenance, and operation of machines and equipment of others.

NOTE: No charge shall be made to these accounts to cover a return upon the carrier's investment in special machines or work equipment used in construction service.

When special machines and work equipment are purchased for use in construction work, their cost shall be included in account 155, "Construction work in progress." If the machines or equipment are sold at the completion of the work, their sale price shall be credited to account 155. In case they are retained for use in transportation service their appraised value at the completion of the work shall be charged to the appropriate property account and concurrently credited to account 155.

(d) "Cost of transportation" includes the amounts paid to other companies or individuals for the transportation of men, material and supplies, special-machine outfits, appliances, and tools in connection with construction.

NOTE: Freight charges paid other carriers for the transportation of construction material shall be included, so far as practicable, as a part of the cost of the material.

(e) "Cost of contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals, engineering and supervision applicable to such work, costs incident to the award of the contracts, and inspection of the work.

(f) "Cost of protection" includes expenditures for protection in connection with construction.

(1) From casualties, including the cost of protection against fire, payments for discovery or extinguishment of fires, cost of detecting incendiaries including witness fees, amounts paid to municipal corporations and others for fire protection, and analogous items.

(2) From damages to others, including the cost of protecting the property of others from damage in the processes of construction work, and analogous items.

(g) "Cost of injuries and damages" includes expenditures on account of injuries to persons or damage to property when incident to construction. Such costs shall be included in the cost of the work in connection with which the injury



or damage occurs, except that extraordinary losses that result in the destruction of units that have to be entirely replaced prior to completion of the project shall be charged to account 285, "Miscellaneous debits," and casualties to the extent covered by insurance shall be charged to account 170, "Claims pending"; also the portion of premiums paid for insuring against casualties applicable to the period prior to the completion of the property insured. The cost of injuries and damages in connection with the removal of old structures which are encumbrances on newly acquired land shall be included in account 155, "Land."

(h) "Taxes" on physical property belonging to the carrier including payroll taxes assessed during construction and before the facilities are used for transportation service shall be included in the accounts appropriate for the cost of the property so taxed.

(i) "Interest during construction" includes the net cost of borrowed funds used for construction purposes. Such interest shall be charged to the accounts appropriate for the cost of the property in connection with which the funds are expended. The period for which interest may be charged shall be limited to the period of construction. The interest includible in these accounts is:

(1) Interest on bonds, notes, and other evidences of indebtedness sold, and on interest-bearing debt incurred for the acquisition or construction of property for use in transportation service. It includes the interest accruing on that part of the debt representing the cost of property acquired (less interest, if any, allowed to carriers on unexpended balances) after such funds become available for use and before the completion of the property acquired. Interest accruing before the proceeds from the sale of the securities become available for use shall not be included in these accounts.

(2) There shall be deducted from such interest charges a proportion of premium on securities sold. The amount of premium thus deductible shall be determined by the ratio which the period between the date the proceeds from the securities issued become available and the completion of the property bears to the entire life of the securities issued.

(3) There shall be added to such interest charges a proportion of discount and expense on funded debt securities sold. The amount of discount and expense thus chargeable shall be determined by the ratio which the period between the date the proceeds from the securities issued become available and the completion of the property bears to the entire life of the securities issued. In no case except as provided in this paragraph shall discounts be included in these accounts.

(4) On expenditures made for a construction project that has been suspended, no interest charges from the date of suspension shall be included in these accounts unless specifically authorized by the Commission.

(j) The cost of disposing of material excavated, including privilege of wasting in connection with construction, shall be considered as a part of the cost of the work, except that when such ma-

terial is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

(k) The cost of launching and trial trips of floating equipment which is borne by the carrier shall be considered as part of the purchase price of floating equipment.

(l) When any equipment or other water-line property is acquired under an agreement which provides that the cost shall be paid in installments, the cost shall be charged to the appropriate property accounts at the time of its acquisition, in the same manner as the cost of property purchased outright. When notes or other securities are issued in payment, or in part payment, for such property and their value on a current cash basis is more or less than their face value, the difference between the face value of the securities and their cash value shall be charged or credited to the appropriate discount and expense or premium account.

**§ 324.45 Water-line property acquired.** (a) When transportation property constituting an operating unit or system is acquired by purchase, merger, consolidation or otherwise, the cost to the accounting carrier of the property acquired shall be included temporarily in account 151, "Acquisition adjustment." If the consideration is other than cash, the cash value thereof at the time control was acquired (estimated if not known) shall be the cost of the property acquired.

(b) When the assets acquired include not only transportation property but also securities and other assets, a reasonable estimate as nearly as determinable of the value inherent in such securities and other assets shall be deducted from the total cash cost and the remainder shall be included in account 151, "Acquisition adjustment." The values assigned to the securities and other assets acquired shall be included in the accounts appropriate for such assets. The par or recorded value of any securities issued and the cash value at date of contract of other liabilities assumed shall be included in determining the cost of the transportation property acquired with contra credit to the appropriate liability accounts. Any necessary adjustment between par value and cash value of securities issued shall be included in the appropriate premium or discount accounts.

(c) The accounting for the acquisition of transportation property shall be completed as follows:

The book cost of the physical property at the date of acquisition as shown by the records of the former owner shall be appropriately distributed and charged to the primary property accounts with contra credit to account 151, "Acquisition adjustment." Concurrently, account 149, "Depreciation reserve—Transportation property," shall be credited and account 151, "Acquisition Adjustment," charged with the amount carried in the depreciation reserve of the former owner. Under no circumstances shall the amount charged to the primary accounts as the book cost of transpor-

tation property acquired exceed the original cost of the property when first devoted to transportation service.

(d) If the transportation property when acquired is in such physical condition that it is necessary substantially to rebuild the property in order to meet the standard required by the accounting carrier, the cost of such work shall be included in account 151, "Acquisition adjustment," and the distribution to primary accounts shall be deferred until the rehabilitation program has been completed so that the cost of the new property installed may be distributed to the appropriate primary account rather than the cost of the property retired.

(e) In connection with the acquisition of transportation property the accounting carrier shall procure all existing records relating to the property acquired or certified copies thereof and shall preserve such records until authorized by the Commission to destroy or otherwise dispose of them.

(f) Journal entries which record the acquisition of transportation property shall be submitted to the Commission for approval before they are spread upon the accounting carrier's books. The text of such entries shall give a complete description of the property acquired.

(g) Any balance in account 151, "Acquisition adjustment," is subject to such disposition as the Commission may direct.

#### **§ 324.46 Overhead construction costs.**

(a) Overhead construction costs, such as engineering, supervision, legal expenses, insurance, injuries, damages, taxes, and interest shall be distributed equitably to the work benefited, so that the entire cost of construction, both direct and indirect, may be included in the appropriate primary account.

(b) These instructions shall be interpreted as requiring the assignment of the actual overhead costs to the cost of each particular project.

**§ 324.47 Retirements and replacements.** (a) At the time of retirement, the book cost (estimated if not known) of transportation property retired from service, shall be credited to the appropriate property accounts in which included.

(1) Land retired including the proportional cost of public improvements pertaining to the land.

(2) Units of depreciable property retired.

**NOTE:** The dismantling of a structure or unit of equipment in order to replace parts with improved parts, the purpose of which is to modernize the unit and create an expectation of life fairly comparable with a new unit shall be accounted a retirement. The dismantling of such property only to the extent necessary to recondition or replace defective parts shall be accounted as repairs.

(3) Minor items of depreciable property retired and not replaced.

**NOTE:** If the book cost of a minor item retired is small, is not under a general plan, and in the judgment of the carrier does not affect the condition and value of the property for valuation or depreciation purposes, and will be accounted for by inclusion in the unit of property, of which it is



a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

(4) Minor items of depreciable property retired and replaced with items of a different type or design or constructed of a different grade of material effecting a substantial improvement and rendering the part applied more durable or of greater capacity than that retired.

NOTE: If the retirement and replacement of minor items is in kind or does not effect a substantial improvement, the cost of the replacement including cost of removal shall be charged to the maintenance account appropriate for repairs, and no adjustment shall be made of the property accounts.

(b) The amounts thus credited to the primary property accounts shall be charged as follows:

(1) Units and minor items of property. The accounting for units and minor items of property accounted for as retired shall be in accordance with instruction 11 (E).

(2) The value of salvage from retired property shall be charged according to the disposition of the material recovered. If retired property is held temporarily without being torn down, the estimated value of the salvage recoverable shall be included in account 166, "Other deferred assets," until the property is dismantled or otherwise disposed of. If retired property is held by the carrier for other than water-line service, its appraised value shall be included in account 160, "Noncarrier physical property."

(3) The cost of removal shall be included in determining the service value of property retired.

(c) *Land retired.* The book cost of the land, including the proportional cost of public improvements pertaining to the land, retired from service shall be credited to accounts 153, "Land," and 154, "Public improvements," respectively. If the land is sold, the necessary adjustment between the book cost and the sale price shall be included in earned surplus. If the land is retained, its appraised value shall be charged to account 160, "Noncarrier physical property," and the necessary adjustment included in earned surplus.

(d) *Sale of property.* In case equipment or other depreciable property is sold at a profit, the difference between the book cost and the net proceeds shall be credited to account 282, "Credits from transportation property retired."

§ 324.48 *Leased property.* (a) The cost of initial improvements (including rearrangements and additions) to property leased from others for transportation service made in the course of preparing the property for such service and the cost of any subsequent additions or improvements made to such leased property shall be charged to account 158, "Improvements on leased property."

(b) When improvements to leased property are of relatively minor cost or the lease is for a period not exceeding one year, the cost shall be charged to the appropriate repair account in operating expenses.

§ 324.49 *Donations.* (a) The carrier shall credit account 151, "Acquisition adjustment," at the time of acquisition, with the current money value of land and other grants contributed by governmental agencies or donations by individuals or companies toward the construction or acquisition of property used in transportation service, after obtaining the approval of the Commission.

(b) Any advances made by individuals and companies with provisions for partial or complete reimbursement shall not be considered as donations prior to the fulfillment of all conditions, and then only to the extent to which the liability for reimbursement is nullified. Prior to such determination the amounts received shall be credited to account 232, "Other deferred credits."

#### SURPLUS INSTRUCTIONS

§ 324.51 *Purpose of unearned surplus account.* The unearned surplus account is designed to show surplus arising from sources other than earned surplus.

§ 324.52 *Purpose of earned surplus account.* The earned surplus accounts are designed to show the changes in earned surplus during each calendar year as affected by the balance of the income account as reported for the period; by any disposition of earned surplus made solely at the option of the carrier; and by miscellaneous gains or losses not provided for elsewhere.

§ 324.53 *Segregation of surplus.* The carrier shall maintain account 250, "Unearned surplus," account 260, "Earned surplus—Appropriated," and account 280, "Earned surplus—Unappropriated." If prior to January 1, 1942, a separation has not been maintained, the surplus shall be segregated, so far as practicable between unearned surplus and earned surplus. The carrier shall carry any surplus that cannot be segregated in an account entitled "Surplus prior to January 1, 1942." The account so designated shall be carried until the balance therein has been entirely cleared.

#### INCOME INSTRUCTIONS

§ 324.61 *Purpose of income accounts.* The income accounts are designed to show as nearly as practicable for each calendar year the amount of money that a carrier becomes entitled to receive for transportation services rendered, the income accrued upon investments in securities and noncarrier property, the accrued costs payable for the transportation services rendered, the amounts accrued for taxes, for use of moneys, for use of properties of others, accounting adjustments attributable to prior years, and reservations and appropriations of income during the period.

§ 324.62 *Statement of income accounts.* The accounting for income shall be, as nearly as practicable, coincident with the transactions which create them. For the purpose of meeting this requirement, the carriers shall account for unaudited income upon an accrual basis.

#### OPERATING-REVENUE INSTRUCTIONS

§ 324.71 *Purpose of operating-revenue accounts.* The operating-revenue

accounts are designed to show the amounts of revenue which the carrier becomes entitled to receive from the furnishing of transportation service, including service incidental thereto.

§ 324.72 *Statement of operating-revenue accounts.* (a) The accounting for operating revenues, as nearly as practicable, shall be coincident with the transactions which create them. For the purpose of meeting this requirement, the carrier shall account for unaudited revenues upon an accrual basis.

(b) The revenue accounts shall not be used as clearing accounts for other carriers' proportions of revenue, except that overcharges or undercharges may be carried in these accounts until adjusted.

#### OPERATING-EXPENSE INSTRUCTIONS

§ 324.81 *Purpose of operating-expense accounts.* The operating-expense accounts are designed to show expenses of the carrier in furnishing transportation service, and services incidental thereto including the expenses of maintenance (repairs, depreciation, and amortization) of the property used in such service.

§ 324.82 *Statement of operating-expense accounts.* The accounting for operating expenses, as nearly as practicable, shall be coincident with the transactions which create them. For the purpose of meeting this requirement, the carrier shall account for unaudited expenses upon an accrual basis.

§ 324.84 *Maintenance expenses.* The accounts provided for maintenance are designed to show the cost of repairs, including the cost of replacing minor items of retired property in kind; the cost of supervision and inspecting and testing to determine the need of repairs, rearrangements, and inspecting and testing after repairs have been made; also the cost of restoring the condition of property damaged by storms, floods, accidents, fires, or other casualties in excess of amounts recovered from insurance.

NOTE: If a carrier insures through underwriters and the amount of insurance recovered exceeds the cost of restoring the condition of the property, including all expenses incurred, the excess shall be included in account 334, "Miscellaneous operating revenue."

§ 324.85 *Cost of repairs.* (a) The cost of repairing fixed improvements or equipment shall be included in the appropriate repair accounts of this classification.

(b) The several items of cost here referred to are defined as follows:

(1) "Cost of labor" includes the pay and expenses for work performed by the carrier's employees, including the pay and expenses of members of vessel's crews while actually engaged in making or supervising repairs on vessels in inactive service.

(2) "Cost of material and supplies," including small tools, is the purchase price at the point of free delivery, plus the cost of inspection and loading borne by the carrier, and a suitable proportion of store expense; it includes freight charges paid to other carriers, but shall not include freight charges over the carrier's lines. Cash discounts on material purchased which can be directly



assigned shall be credited to the cost of the materials to which they apply. Other discounts shall be apportioned on the basis of the apportionment of store expenses. In calculating the cost of materials, proper allowance shall be made for the value of unused portions and other salvage.

(3) "Cost of equipment work service" includes wages paid crews, including wages of crews held in readiness for such service; and the cost of fuel and other supplies consumed in the operation of equipment, including pile drivers, dredges, and other machines used in work service.

(4) "Contract work" includes amounts paid for repair work performed under contract by other companies, firms, or individuals, and costs incident to the awarding of the contract.

(5) "Cost of protection from casualties" includes expenditures for protection against fire, flood, etc., such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, including witness fees, amounts paid to municipal corporations and others for fire protection and protection against damages by floods, and analogous items. It does not include insurance premiums paid to assure reimbursement for prospective losses.

#### BALANCE-SHEET ACCOUNTS

NOTE A: Arrears in cumulative dividends or interest and the relative amounts involved shall be stated.

NOTE B: Defaults in principal, interest, or sinking fund provisions of long-term debt and the relative amounts involved shall be stated.

#### ASSET SIDE

##### Current Assets

§ 324.1-100 *Cash*. This account shall include the amount of current funds available for use on demand or for general purposes in the hands of financial officers and agents or deposited in banks or trust companies including cash in transit for which agents or others have received credit.

NOTE: If the withdrawal of any portion of the cash recorded in this account is restricted for any purpose except the usual time limit for savings accounts, the balance sheet must carry an appropriate notation to that effect.

§ 324.1-101 *Imprest funds*. This account shall include cash funds maintained at fixed amounts as revolving funds to be used for minor disbursements requiring immediate payment, the funds being regularly reimbursed from the general cash.

§ 324.1-102 *Special cash deposits*. (a) This account shall include the amounts of cash on special deposit (other than in special funds or deposits as elsewhere provided) for the payment of dividends, interest, and other debts, of a current nature, when such payments are due one year or less from the date of deposit; also the amount of cash deposited to insure the performance of contracts to be performed within one year from the date of the deposit; and other cash deposits of a special nature not provided for elsewhere.

(b) This account shall include also cash realized from the sale of the car-

rier's securities and deposited with trustees to be held until disbursed for the purpose for which the securities were sold, provided that cash so held until disbursed for such purposes, including cash held for redemption of securities, shall be included in account 124, "Other special funds," unless the liability for the disbursement is included under current liabilities.

NOTE A: Cash on deposit in special accounts where the funds are available for the current requirements of the carrier shall be included in account 100, "Cash."

NOTE B: Deposits for more than one year not offset by current liabilities shall be charged to account 125, "Special deposits."

§ 324.1-103 *Marketable securities*. This account shall include the book cost of readily marketable securities acquired for the purpose of temporarily investing cash, such as demand and time loans, including certificates of deposit, bankers' acceptances, United States Treasury bills, and other marketable securities readily convertible into cash, but excluding securities of affiliated companies.

NOTE A: Securities issued or assumed by the carrier shall not be included in this account.

NOTE B: Investments in securities of other companies shall be included in the appropriate investment account unless they were purchased with the intention to sell them within one year, and they have not been held one year.

§ 324.1-105 *Notes receivable*. This account shall include the book cost not includible elsewhere of all collectible obligations in the form of notes receivable, or other similar evidences (except interest coupons) of money receivable on demand or within a time not exceeding one year from date of issue.

NOTE A: Notes receivable from affiliated companies subject to current settlement shall be included in account 106, "Affiliated companies—Notes and accounts receivable."

NOTE B: Notes discounted, sold, or transferred, unless transferred without recourse, shall be separately accounted for.

NOTE C: Notes evidencing investment advances to other companies shall be included in the appropriate investment account.

§ 324.1-106 *Affiliated companies; notes and accounts receivable*. This account shall include the total of amounts receivable from affiliated companies which are subject to current settlement, such as balances in open accounts for services rendered, material furnished, traffic or interline accounts, claims, rent for use of property, and similar items; interest and dividends due from affiliated companies; and loans, notes, and drafts for which affiliated companies are liable.

NOTE A: No amounts representing dividends receivable shall be included in this account unless they have been declared or guaranteed.

NOTE B: Investment advances shall be included in account 130, "Investments in affiliated companies."

§ 324.1-107 *Accounts receivable*. (a) This account shall include amounts due from others (except affiliated companies) for material and supplies furnished and services rendered, including transportation and other services, use of property,

matured rents, amounts owing by public authorities, and amounts of collectible judgments.

(b) This account shall also include net balances in current accounts due from agents, masters, pursers, and other employees and representatives charged with the collection and custody of current revenues.

NOTE: Amounts of cash advanced to masters, pursers, or others as working funds shall be included in account 173, "Working advances."

§ 324.1-108 *Claims receivable*. This account shall include claims transferred from account 170, "Claims pending," including insurance claims which have been compiled and presented to underwriters for collection and other adjusted claims collectible within one year.

§ 324.1-109 *Reserve for doubtful accounts*. (a) This account shall be credited each month with amounts estimated as the loss due to uncollectible accounts. To this account shall be charged such amounts as are determined to be uncollectible. Amounts written off as uncollectible and later collected shall be credited to this account.

(b) The estimates shall be adjusted at the end of each year to conform to the experience of the carrier as determined by an analysis of its notes, accounts, and claims receivable.

§ 324.1-110 *Subscribers to capital stock*. This account shall include demand or short-term notes receivable or other amounts charged to subscribers to capital stock at the time subscriptions are accepted. Concurrently, there shall be credited to account 241, "Capital stock subscribed," the par value of the stock subscribed, or the agreed purchase price in the case of stock without par value. Appropriate entries shall likewise be made with respect to any discount or premium. Payments made by subscribers shall be credited to this account.

§ 324.1-111 *Traffic and car-service balances—Dr.* This account shall include the net of the balances receivable from or payable to other companies representing traffic and interline accounts, when such balance results in a net debit.

NOTE: When the net of the balances is a credit, it shall be included in account 203, "Traffic and car-service balances—Cr."

§ 324.1-112 *Accrued accounts receivable*. This account shall include the amount of interest accrued to the date of the balance sheet on bonds, notes, deposits, open accounts, and other interest-bearing obligations, the amount of matured dividends, and dividends accrued on stocks when contracts require that the dividends be paid at stated times. It shall also include unmatured rents receivable and other unaudited current items receivable accrued to the date of the balance sheet. It is not required that minor items shall be accounted for upon an accrual basis.

NOTE A: No amounts representing interest, dividends, or rents receivable shall be included in this account unless collection thereof is reasonably assured by past experience, anticipated provision, or otherwise.



NOTE B: No dividends or other returns on securities issued or assumed by the carrier shall be included in this account.

NOTE C: Interest, dividends, and rents receivable from affiliated companies shall be included in account 108, "Affiliated companies—Notes and accounts receivable."

#### § 324.1-113 *Material and supplies.*

(a) This account shall include the cost, less cash and other discounts, of all unissued and unapplied material and supplies, articles in process of manufacture by the carrier, fuel, tools, stationery, commissary and other supplies, but excluding fuel stores and supplies on board vessels and spare parts provided for in account 157, "Spare parts."

(b) The costs chargeable to this account are the actual cash costs of the material and supplies at point of free delivery plus customs duties, excise and other taxes, insurance, inspection, special tests, loading and unloading and transportation charges paid for transporting the material from the free delivery point to the carrier's line.

(c) Amounts paid for containers, which are refundable if containers are returned, shall be charged to this account until refund is collected.

(d) Material recovered in connection with maintenance work or the demolishing of fixed improvements or equipment shall be charged to this account on the basis of its value as recovered. When scrap material is sold at a higher or lower price than that at which it is included in this account, the difference shall be adjusted, so far as practicable, through the accounts which were credited when the material was recovered and taken into this account.

NOTE A: Interest paid on material bills, the payment of which is delayed, shall be charged to account 529, "Interest on unfunded debt."

NOTE B: An annual inventory of material and supplies shall be taken and the necessary adjustments shall be made to bring this account into harmony with the actual inventory balances. In effecting this adjustment determined differences in accounting for important classes of material shall be equitably assigned among the accounts to which such classes of material are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts.

NOTE C: No charges shall be made to this account for the cost of transporting material and supplies over the carrier's line.

§ 324.1-114 *Other current assets.* This account shall include the amount of assets of a current nature not includible in any of the foregoing current asset accounts.

#### *Special Funds*

§ 324.1-122 *Insurance funds.* (a) This account shall include cash, cost of securities of other companies or governmental bodies, par value of reacquired stocks, bonds, or other evidences of indebtedness, issued or assumed by the carrier, and cost of other assets placed on deposit or in the hands of trustees to guarantee the satisfaction of obligations for losses, in instances where the carrier is a self-insurer in whole or in part.

(b) It shall also include accretions representing interest, dividends, or other returns accrued on insurance fund investments when retainable in such fund.

(c) Subsidiary accounts shall be maintained by depositories or trustees.

NOTE: Reacquired stocks, bonds, and other evidences of indebtedness issued or assumed by the carrier and held alive and not retired shall be considered to be nominally outstanding.

§ 324.1-123 *Sinking funds.* (a) This account shall include cash, cost of securities of other companies, par value of reacquired stocks, bonds, or other evidences of indebtedness, issued or assumed by the carrier, and cost of other assets placed on deposit or in the hands of trustees as a sinking fund to meet obligations maturing in the future, or to carry out such operations as the retirement of preferred stock or the purchase of serial bonds.

(b) It shall also include accretions representing interest, dividends, or other returns accrued on sinking fund investments when retainable in such fund.

(c) Subsidiary accounts shall be maintained by depositories or trustees, and under titles which shall designate the obligation in respect of which the fund is created.

NOTE: Reacquired stocks, bonds, and other evidences of indebtedness issued or assumed by the carrier and held alive and not retired shall be considered to be nominally outstanding.

§ 324.1-124 *Other special funds.* (a) This account shall include cash, cost of securities of other companies, par value of reacquired stocks, bonds, or other evidences of indebtedness, issued or assumed by the carrier, and cost of other assets, which are in the hands of trustees or managers of employees' pension, savings, relief, hospital, and other funds or any special funds for which no specific account is provided.

(b) It shall also include accretions representing interest, dividends, or other returns accrued on investments held in such funds when retainable therein.

(c) Subsidiary accounts shall be maintained for each fund by depositories or trustees.

NOTE A: Reacquired stocks, bonds, and other evidences of indebtedness issued or assumed by the carrier and held alive and not retired shall be considered to be nominally outstanding.

NOTE B: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees' benefits shall be accounted for in accordance with the note to account 465, "Pensions and relief."

§ 324.1-125 *Special deposits.* This account shall include cash and cost of securities deposited to guarantee the performance of conference and similar agreements, or with utility corporations; also deposits in lieu of mortgaged property sold and other trust deposits, which are held until equivalent property is acquired or pending other disposition.

#### *Investment Securities*

§ 324.1-130 *Investments in affiliated companies.* This account shall include the cost of the carrier's investment in securities issued or assumed by affiliated companies (other than securities held in special deposits or in special funds), including investment advances to affiliated companies.

NOTE A: Accounts with affiliated companies which are subject to current settlement shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: No amounts representing interest or dividends on securities or investment advances shall be included in this account.

NOTE C: The value of securities borrowed by the carrier shall not be included in this account.

§ 324.1-131 *Other investments.* This account shall include the cost of the carrier's investment in securities issued or assumed by nonaffiliated companies (other than securities purchased as temporary investments or held in special deposits or in special funds), including investment advances to nonaffiliated companies or individuals, and miscellaneous investments not provided for elsewhere.

NOTE A: Accounts with nonaffiliated companies which are subject to current settlement shall be classed as current assets or liabilities, as may be appropriate.

NOTE B: The value of securities borrowed by the carrier shall not be included in this account.

§ 324.1-132 *Reserve for revaluation of investments.* This account shall be credited with such reserves as are maintained to reflect the decline or loss in book value of securities or like assets held for investment where there appears to be a permanent impairment in value as recorded in accounts 130, "Investments in affiliated companies," or 131, "Other investments." If reserves are maintained for specific securities, when such securities are disposed of, the amount included in this account with respect thereto shall be charged hereto. If a general reserve is maintained for all securities when securities are disposed of, the amount of the loss to the extent of the credit balance herein, shall be charged hereto.

§ 324.1-133 *Cash value of life insurance.* This account shall include the cash surrender value of life insurance policies, under which the carrier is the beneficiary, less the amount of any loans which have been obtained on such policies and not repaid.

#### *Property and Equipment*

§ 324.1-140 *Floating equipment.* This account shall include the cost to the carrier of construction or acquisition, including additions and improvements, of all floating equipment such as steamships, motorships, other vessels, tugs, barges, scows, launches, lighters, floating cranes, and similar equipment used by the carrier or others in transportation operations.

CROSS REFERENCE: For property accounts on floating equipment see §§ 324.2-141 to 324.2-144, inclusive.

§ 324.1-145 *Terminal property and equipment.* This account shall include the cost to the carrier of construction or acquisition, including additions and improvements, of all fixed improvements, highway equipment, buildings, wharves, docks, and other structures and fixtures, machinery, furniture, etc., used by the carrier or others in transportation operations.

CROSS REFERENCE: For property accounts on terminal property and equipment see §§ 324.2-146 to 324.2-148, inclusive.



§ 324.1-149 *Depreciation reserve; transportation property.* (a) This account shall be credited with amounts charged to operating expenses to cover the estimated loss in service value of depreciable property. It shall be credited also with any amounts which the carrier may be authorized by the Commission to include in surplus.

(b) At the time of retirement of depreciable property the amount of depreciation accrued and included herein with respect to the particular unit or item retired shall be charged hereto.

§ 324.1-150 *Amortization reserve; defense projects.* This account shall be credited with amounts charged to account 414, "Amortization of defense projects," to cover the amortization of transportation property.

§ 324.1-151 *Acquisition adjustment.* (a) This account shall include the difference between (1) the cost to the accounting company of water-line property acquired as an operating unit or system by purchase, merger, consolidation, or otherwise than in reorganization, and (2) the amount distributed to the primary property accounts, less amounts which may be credited to the depreciation and amortization reserves with respect to such property in accordance with instruction 45.

(b) This account shall also include the difference between the assets acquired and the par or recorded value of the accounting company's capital stock, plus its debts and other liabilities in respect of water-line property acquired in reorganization under the circumstances set forth in instruction 30.

(c) This account shall be credited with donations or contributions in cash or property from governmental agencies, individuals, and others for construction purposes, concurrent charges being made to the appropriate property or other asset accounts. Credits to this account require the approval of the Commission.

§ 324.1-152 *Land and land rights.* This account shall include the cost to the carrier of all land or interest in land, used by the carrier or others for transportation operations. It includes the cost of acquiring easements and the cost of public improvements, but not rents payable periodically as a consideration for rights so obtained.

CROSS REFERENCE: For property accounts on land and land rights see §§ 324.2-153 and 324.2-154.

§ 324.1-155 *Construction work in progress.* This account shall include the cost of transportation property in the course of construction.

CROSS REFERENCE: For property accounts on construction work in progress see § 324.2-156.

§ 324.1-157 *Spare parts.* (a) This account shall include the cost, less cash and other discounts, of unapplied spare parts, such as propellers, propeller blades, tail shafts, crank shafts, pumps, rudders, hoisting engines, generators, rotors, etc.

(b) The costs chargeable to this account are the actual cash cost of the spare parts at point of free delivery, plus

customs duties, insurance, inspection, special tests, loading and unloading and transportation charges paid for transporting the spare parts to carrier's line.

§ 324.1-158 *Improvements on leased property.* (a) This account shall include the cost to the carrier of additions and improvements made to physical property leased from others and used in transportation operations.

(b) The carrier's records shall be so kept as to show the charges and credits to this account classified in accordance with the accounts for property owned.

§ 324.1-159 *Amortization reserve; leased property.* This account shall be credited with amounts charged to operating expenses to create a reserve to cover, at date of reversion of the leased property to the lessor, the cost of improvements thereon.

§ 324.1-160 *Noncarrier physical property.* This account shall include the cost to the carrier of land, structures, and equipment not used in transportation operations, including hotels, restaurants, power plants, equipment, and other property that is entirely distinct from the transportation property of the carrier and not operated in connection with or incident to its transportation operations.

§ 324.1-161 *Depreciation reserve; non-carrier physical property.* (a) This account shall be credited with amounts charged to account 523, "Expenses of noncarrier operations," to cover the depreciation of property included in account 160, "Noncarrier physical property."

(b) When depreciable noncarrier physical property is destroyed, sold, or otherwise retired from service, the amount included herein with respect to the property retired shall be charged hereto. In case the insurance recovered is in excess of the book cost of the property destroyed, such excess shall be credited to account 283, "Miscellaneous credits."

#### Deferred Assets

§ 324.1-166 *Other deferred assets.* This account shall include noncurrent notes and accounts receivable, the settlement of which has been deferred beyond one year, or which by agreement are to run for more than one year from date of issue.

It shall also include the estimated value of salvage recoverable from property retired, when recovery is deferred for any reason; items of current character but doubtful value; funds on deposit with closed banks; advances to traffic associations and bureaus as working funds; and other deferred items not provided for elsewhere.

§ 324.1-170 *Claims pending.* This account shall include claims in litigation and insurance claims in process of compilation or adjustment. After adjustment of claims, this account shall be cleared and the amounts receivable included in account 108, "Claims receivable." Deductible average insurance losses (if policies provide deductibles) shall be transferred at the same time to account 221, "Insurance reserves," provided the carrier accrues a reserve for

such deductibles, otherwise the charge shall be made to the appropriate expense accounts.

#### Deferred Debits and Prepaid Expenses

§ 324.1-171 *Incompleted voyage expenses.* (a) This account shall include all voyage expenses of incompleted voyages or other periods accrued and held in suspense until the voyage or period is completed, and the appropriate expense accounts are charged directly with such expenses. After each voyage or period has terminated, the expenses pertaining thereto shall be transferred to the appropriate operating-expense accounts. All voyage expenses may be recorded in the appropriate operating-expense primary accounts, and at the end of each month the balance relating to incompleted voyages may be transferred to this account with a reversal of the entries in the following month.

(b) This account shall also include the cost of food; deck, engine and steward department stores; buffet supplies; and fuel, and other supplies on board vessels at the beginning of the voyage or period, when inventories are taken at the end of the voyage or period and charged to the succeeding voyage or period and credited to the completed voyage or period.

(c) Where inventories are not taken at the end of each voyage or period, the value of vessel stores and supplies issued during the voyage or period shall be charged to the expenses of the voyage or period, and no adjustment is required until an inventory is taken.

§ 324.1-172 *Prepayments.* This account shall include amounts representing prepayments of taxes, insurance, interest, rents, and miscellaneous. Deposits made to cover insurance premiums, such as premiums computed on payrolls, shall be considered premiums paid in advance.

This account shall be credited and the appropriate account charged in such manner as to distribute the amount of prepayment over the term to which applicable. Minor payments may be charged directly to final account.

§ 324.1-173 *Working advances.* This account shall be charged with the amount of cash advanced to officers, employees, and masters, pursers, and other ship officers as working advances from which payroll, traveling, and other cash disbursements are to be made and accounted for. This account shall be credited, in the course of closing the voyage accounts and recording the transactions in the accounts, with all disbursements made with the approval of the master.

§ 324.1-174 *Debt discount and expense.* (a) This account shall include the net total if a debit balance of all discount, expense, and premium accounts for long-term debt.

(b) When an issue of debt securities, or any part thereof, is refunded and at the date of refunding there is a balance of unamortized discount and expense relating thereto, such amount, together with any premium paid in retiring the debt, shall be charged to earned surplus.

§ 324.1-175 *Other deferred debits.* (a) This account shall include the amount



of debit balances in suspense accounts that cannot be entirely cleared and disposed of until additional information is received, such as:

Amounts paid for options pending final disposition;

Cost of preliminary surveys, investigations, or appraisals in connection with contemplated acquisition or sale of property or securities;

Debit balances in clearing accounts;

Commissions on tickets not honored;

Similar items, the proper and final disposition of which is uncertain.

(b) When the proper disposition of any item included in this account is determined, the amount thereof shall be credited to this account and concurrently charged to the appropriate account.

#### Intangible Assets

§ 324.1-180 *Organization.* (a) This account shall include expenditures incident to incorporation or other form of organization of the company.

(b) Include in this account:

Fees paid for the privilege of incorporation. Legal and office expenses incident to organizing the company.

Cost of stock and minute books and corporate seal.

Cost of preparing and filing amendments to the certificate of incorporation.

Special counsel and other fees and expenses in mergers, consolidations, and reorganizations.

(c) The balance in this account may be amortized by regular charges to income.

NOTE A: This account shall not include discount upon securities issued or assumed; costs incident to negotiating loans, selling bonds or other evidence of debt; or discount, commissions and expense incident to the authorization, issuance and sale of capital stock.

NOTE B: When charges are made to this account for expenses in mergers, consolidations, or reorganizations, amounts previously included in this account on the books of the various companies shall not be carried over.

#### Reacquired Securities

§ 324.1-190 *Reacquired long-term debt.* (a) This account shall include the par value of long-term debt of the carrier nominally issued or reacquired and held uncanceled by it, except debt held in sinking or other special funds.

(b) The difference between the par value of long-term debt and the amount paid therefor including commissions and expenses in connection with its reacquisition and the portion of unamortized premium, discount, and expense relating to the long-term debt reacquired shall be included in surplus.

(c) When reacquired long-term debt is resold, this account shall be cleared and the accounting for its sale shall be that provided for its original sale.

NOTE A: The provisions of this account shall apply to funded debt reacquired for sinking and other special funds.

NOTE B: Reacquired bonds and other evidences of indebtedness issued or assumed by the carrier and not retired shall be considered to be nominally outstanding.

§ 324.1-191 *Reacquired capital stock.* This account shall include the par value of capital stock of the carrier nominally issued or reacquired and uncanceled, ex-

cept when held in sinking or other special funds. If no par stock, it shall be charged at the pro rata proportion at which it is credited to account 240, "Capital stock—Total book liability." Stock having no par value classable as nominally issued shall be recorded by the number of shares.

NOTE: The accounting for the reacquisition and resale of capital stock actually issued or assumed by the company shall be in accordance with instruction 26 (D) and (E).

#### LIABILITY SIDE

##### Current Liabilities

§ 324.1-200 *Notes payable.* This account shall include the face value of notes, drafts, and other evidences of indebtedness issued or assumed by the carrier (except interest coupons) which are payable on demand or not more than one year from date of issue.

NOTE: Notes payable to affiliated companies subject to current settlement shall be included in account 201, "Affiliated companies—Notes and accounts payable."

§ 324.1-201 *Affiliated companies; notes and accounts payable.* This account shall include the total of amounts payable to affiliated companies which are subject to current settlement, such as credit balances in open accounts for services rendered, material furnished, traffic or interline accounts, claims, rent for use of property, and similar items; interest and dividends due to affiliated companies; and loans, notes, and drafts which are payable to affiliated companies.

NOTE A: No amount representing dividends payable shall be included in this account unless they have been declared.

NOTE B: Items which are not subject to current settlement shall be included in account 213, "Affiliated companies—Advances payable."

§ 324.1-202 *Accounts payable.* (a) This account shall include amounts payable to others (except affiliated companies) for materials and supplies, and services received, including matured rents, amounts due to public authorities, amounts of payable judgments, current accounts with officers and employees, personal injury and property damage claims, and other similar items.

(b) This account shall also include amount of wages accrued at the date of the balance sheet; balances representing unclaimed wages; deductions from payrolls (except amounts payable to affiliated companies); outstanding drafts drawn by agents and others; amounts due sightseeing, hotel, or amusement companies for their services; and other items of the nature of demand liabilities.

§ 324.1-203 *Traffic and car-service balances—Cr.* This account shall include the net of the balances receivable from or payable to other companies representing traffic or interline accounts, when such balance results in a net credit.

NOTE: When the net of the balance is a debit, it shall be included in account 111, "Traffic and car-service balances—Dr."

§ 324.1-204 *Accrued interest.* This account shall include the amount of unpaid interest accrued to the date of the balance sheet actually outstanding on

loans, funded debt and other interest-bearing obligations except interest accrued on obligations payable to affiliated companies.

NOTE A: This account shall be so kept that the carrier can report separately the amount of matured interest unpaid.

NOTE B: Interest payable to affiliated companies shall be included in account 201, "Affiliated companies—Notes and accounts payable."

§ 324.1-205 *Dividends payable.* This account shall include the amount of dividends declared on actually outstanding capital stock and unpaid at the date of the balance sheet.

NOTE: Dividends payable to affiliated companies shall be included in account 201, "Affiliated companies—Notes and accounts payable."

§ 324.1-206 *Accrued taxes.* (a) This account shall be credited each period with the amount of taxes accrued during the period, with concurrent debits to the appropriate accounts for tax charges. As credits to this account will necessarily be based upon estimates, they shall be adjusted from time to time during the year so that as nearly as possible the tax charge account may show the taxes applicable to the year. Payments of taxes for which accruals have been made shall be debited to this account. Prepayments of taxes shall be included in account 172, "Prepayments."

(b) The records supporting the entries to this account shall be kept to show separately the accrual of Federal income taxes, Federal old-age pension tax, unemployment compensation tax, and other taxes.

§ 324.1-207 *Long-term debt due within one year.* This account shall include the total par value of all funded obligations (except amounts due affiliated companies) which are past due or which will mature within one year from the date of the balance sheet and for which agreements have not been entered into for an extension as to time of payment.

NOTE: Matured funded obligations due affiliated companies shall be included in account 213, "Affiliated companies—Advances payable."

§ 324.1-208 *Accrued accounts payable.* This account shall include estimates of all unaudited items payable by the carrier to the date of the balance sheet which are chargeable to revenue, expense, or income and are in the nature of current liabilities. (See instruction 3.)

§ 324.1-209 *Other current liabilities.* This account shall include all liabilities of a current character not provided for in the foregoing accounts.

#### Long-Term Debt

§ 324.1-211 *Funded debt.* (a) This account shall include the total face value of funded debt, including bonds, notes, certificates and other evidences of indebtedness issued or assumed by the carrier and maturing more than one year from date of issue, which have not been reacquired and canceled.

(b) The amounts included in this account shall be further divided so as to show the amount of each class of funded debt, as follows:



(1) *Equipment obligations.* Equipment bonds or equipment notes, secured only by lien on specific equipment.

(2) *Mortgage bonds.* Bonds secured by lien on physical property and not includible in the other subdivisions of this account.

(3) *Collateral trust bonds.* Bonds and notes secured by lien on securities or other negotiable paper, and stock trust certificates that are similar in character to collateral trust bonds.

(4) *Income bonds.* Bonds which are a lien on a carrier's income alone, or bonds which, while being a lien on its property and franchises can claim payment of interest only in case interest is earned.

(5) *Miscellaneous obligations maturing more than one year after date of issue.* All funded obligations not provided for by the other subdivisions of this account, unpaid installment of assessments for public improvements, also notes, unsecured certificates of indebtedness, real-estate mortgages executed or assumed, and other similar obligations.

(6) *Receipts outstanding for funded debt.* When certificates are issued for amounts paid on account of funded debt, the face value shall be included in the account covering the class of funded debt for which the certificates are issued.

(c) A record shall be maintained for each class and series of funded debt showing:

Amounts authorized.  
Amounts issued.  
Amounts reacquired and canceled.  
Amount outstanding.  
Date of issue.  
Date of maturity.  
Interest dates.  
Rate of interest.

NOTE A: Advances from affiliated companies (except such as may be properly includible in account 201, "Affiliated companies—Notes and accounts payable") shall be included in account 213, "Affiliated companies—Advances payable."

NOTE B: Reacquired bonds and other evidences of indebtedness issued or assumed by the carrier and not retired shall be considered to be nominally outstanding.

§ 324.1-212 *Receivers' and trustees' securities.* When receivers or trustees acting under the orders of a court are in possession of the property of the carrier and under the order of the court issue evidences of indebtedness, or assume the payment of such indebtedness, the par value of such obligations shall be credited to this account.

NOTE: Reacquired securities issued or assumed by receivers or trustees and not retired shall be considered to be nominally outstanding.

§ 324.1-213 *Affiliated companies; advances payable.* (a) This account shall include the amount of advances from affiliated companies, whether evidenced by notes or open accounts which are not subject to current settlement, including interest accrued thereon, when such interest is not subject to current settlement.

(b) This account shall be subdivided as follows:

Notes payable,  
Open accounts not subject to current settlement,

Interest accrued on amounts included in this account not subject to current settlement.

NOTE: Amounts of advances which are subject to current settlement shall be included in account 201, "Affiliated companies—Notes and accounts payable."

#### Reserves

§ 324.1-220 *Maintenance reserves.* (a) This account shall include balances representing reserves created for the purpose of equalizing the cost of repairs to vessels in line service or other floating equipment, also the cost of repairs to buildings and structures and dredging to deepen channels. When the repairs are made, their cost, to the extent of the provision herein, shall be charged to this account. The accruals credited to these reserves shall be based on the carrier's experience and class surveys of anticipated expenditures for major repairs.

(b) This account shall be kept to show the accruals for each vessel or other item of property for which provision is made.

§ 324.1-221 *Insurance reserves.* (a) Agreed amounts for Marine Hull and Protection and Indemnity insurance deductibles (if provided in the policies) or the carrier's proportion of self-carried insurance shall be charged for each voyage or period to the appropriate expense account and the corresponding credit included in this account. When the amount within the deductibles average chargeable against each voyage or period is determined, it shall be cleared from account 170, "Claims pending," by a charge to this account.

(b) This account shall also be used for equalization of other insurance risks, such as self-carried workmen's compensation, public liability insurance, and loss and damage claims.

NOTE: This account shall not include appropriations of income or earned surplus which should be reflected in account 260, "Earned surplus—Appropriated."

§ 324.1-222 *Pension and welfare reserves.* This account shall include the book balances representing the liability of the carrier for the amount of the assets (whether contributed by the carrier, by the employees, or by others) in the hands of its treasurer, or of trustees or managers acting for it in the administration of employees' pension, savings, relief, hospital, and other association funds.

NOTE: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees' benefits shall be accounted for in accordance with the note to account 465, "Pensions and relief."

§ 324.1-223 *Other reserves.* This account shall include the net credit balances representing reserves created by accruals to the appropriate accounts in operating expenses to meet the probable liabilities incurred for damage, loss, and injuries not covered by insurance. When the liability is admitted, this account shall be cleared and amount payable credited to the appropriate liability account.

#### Deferred Credits

§ 324.1-230 *Incompleted voyage revenues.* This account shall include all

voyage revenues of incompleted voyages or periods accrued and held in suspense until the voyage or period is completed, if the appropriate revenue accounts are not credited directly with such revenue. After each voyage or period has terminated, the revenues pertaining thereto shall be transferred to the appropriate operating-revenue accounts. The carrier may, if it so elects, credit the appropriate primary revenue account with the revenue as recorded, and at the end of each month transfer the revenue so recorded from such primary accounts to this account by voyage totals and reverse the entries in the succeeding month.

§ 324.1-231 *Premium on long-term debt.* (a) This account shall include the net total if a credit balance of all discount, expense, and premium accounts for long-term debt.

(b) When an issue of debt securities, or any part thereof, is refunded and at the date of refunding there is a balance of unamortized premium relating thereto, such amount shall be credited to earned surplus.

§ 324.1-232 *Other deferred credits.* (a) This account shall include the amount of all deferred credits not provided for elsewhere, such as:

Deposits by employees to assure the return of company property.  
Credit balances in clearing accounts.

(b) This account shall include also the amount of credit balances in suspense accounts that cannot be entirely cleared and disposed of until additional information is received, such as:

Proceeds from passenger ticket sales representing tickets sold for future sailings or return portions of round-trip tickets.

Deposits on passenger, hotel, or shore excursion reservations, etc.

Proceeds from sales of damaged, unclaimed and over freight held awaiting claim.

(c) When the proper disposition of any item included in this account is determined, the amount thereof shall be debited to this account and concurrently credited to the appropriate account.

#### Capital and Surplus

§ 324.1-240 *Capital stock; total book liability.* (a) This account shall include the total par value, or for stock without par value the money value of the consideration received, in respect to capital stock or other form of proprietary interest in the carrier which has been issued to bona fide purchasers and has not been reacquired and canceled, including the par value of capital stock nominally issued. It shall also include stock dividends representing appropriations of surplus. When capital stock is retired, this account shall be charged with the amount at which such stock is recorded herein.

(b) The credits hereto shall be divided as follows:

(1) Preferred stock—(Stocks having a preference or priority in respect to dividend participation).

(2) Common stock—(Stocks entitled to a dividend, if any, after preference stocks).

(c) A separate record shall be kept for each subclass showing the number of



shares authorized by the articles of incorporation and amendments, the number of shares issued, the number of shares reacquired, the number of shares canceled, the number of shares outstanding, and their book value.

(d) The book value for nonpar stock reacquired shall be determined by a pro-rata of the amount recorded for shares of the particular subclass of stock of which the shares reacquired are a part actually outstanding immediately prior to the acquisition.

(e) In case capital stock is reacquired and held in the treasury or in sinking or other special funds, such stock shall be included in the appropriate accounts, in accordance with paragraphs (d) and (e) of instruction 26.

§ 324.1-241 *Capital stock subscribed.* This account shall include the amount of subscriptions to capital stock of the carrier. It shall be credited with the par value, or with the subscription price in case of stock without par value, exclusive of accrued dividends, if any. Concurrently, a debit shall be made to account 110, "Subscribers to capital stock," for the agreed price and any discount or premium shall be included in the appropriate account. When properly executed stock certificates have been issued, this account shall be debited and account 240, "Capital stock—Total book liability," credited.

§ 324.1-242 *Premiums and assessments on capital stock.* (a) This account shall include the excess of actual cash value of the consideration received over the par value and accrued dividends, of par value stock issued, together with assessments against stockholders representing payments in excess of the par or recorded values as included in account 240, "Capital stock—Total book liability."

(b) When capital stock is canceled, the amount in this account with respect to the shares of such stock canceled shall be charged hereto.

§ 324.1-243 *Discount and expense on capital stock.* This account shall include all discount suffered and commissions and expense incurred in connection with the issuance and sale of capital stock. Records supporting the entries to this account shall be so kept as to show the discount, commissions, and expense on each class and series of capital stock.

§ 324.1-245 *Proprietorial capital.* This account shall include the permanent investment by one or more proprietors in the business of a water-line carrier when organized as an unincorporated firm, copartnership or otherwise than as an incorporated company subject to change only by additional investments or by withdrawals of amounts invested.

NOTE A: Amounts payable to the proprietors as fair and reasonable compensation for services performed shall be charged to the appropriate operating-expense or other accounts.

NOTE B: Income and surplus accounts shall be maintained and entries thereto shall be made in accordance with the provisions thereof.

NOTE C: Separate subaccounts shall be kept to show the equity of each member of a copartnership, and the transactions affecting the interest of each partner.

§ 324.1-250 *Unearned surplus.* (a) This account shall include surplus arising from sources other than those provided under earned surplus.

(b) Subaccounts shall be maintained as follows:

§ 324.1-250-1 *Paid-in surplus.* This subaccount shall include such items as gains from retirement or resale of reacquired or donated shares of capital stock; from forfeiture of subscriptions; from debt of the carrier forgiven by stockholders; and from reduction of the par or recorded value of capital stock when approved by the Commission.

This subaccount shall be charged with amounts included herein capitalized by stock dividends or otherwise; losses from retirement or resale of reacquired shares up to an amount not in excess of credits herein applicable thereto; and may be charged with the amortization of discount and expense on capital stock to the extent of credits herein applicable thereto.

§ 324.1-250-2 *Other unearned surplus.* This subaccount shall include unearned surplus as defined herein arising from other sources.

§ 324.1-260 *Earned surplus; appropriated.* (a) This account shall include the net balance of appropriations of income and earned surplus for replacement of capital assets, debt retirement, and other special or funded reserves. It shall also include income accretions to such funds when retained therein.

(b) A subdivision of this account shall be provided for each reserve, the title of which shall indicate the purpose of the reserve.

§ 324.1-280 *Earned surplus; unappropriated.* (a) This account shall include the net balance, either debit or credit, of unappropriated earned surplus arising from earnings. It shall not include credits from reductions of the carrier's capital stock or transfers from unearned surplus without the approval of the Commission.

(b) The balance of all earned surplus accounts (281 to 287, inclusive) shall be closed into this account at the end of each calendar year.

#### PROPERTY ACCOUNTS

#### FLOATING EQUIPMENT

CROSS REFERENCE: See § 324.1-140 "Floating equipment."

§ 324.2-141 *Line equipment.* This account shall include the cost of marine or floating equipment, purchased or built by the carrier, for use in transportation service between terminals, including all appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation to port at which it enters service.

#### LINE EQUIPMENT

Barges for line service.  
Canal boats.  
Ferry boats.  
Lighters for line service.  
Motor ships.  
Motor launches.  
Power boats.  
Power ships.  
Sailing vessels.

Steamboats.  
Steamships.  
Tug boats for line service.

#### APPURTENANCES, FURNITURE, AND FIXTURES

Aerial attachments.  
Anchors.  
Ash discharging apparatus.  
Awnings and fixtures.  
Berths.  
Boats, life.  
Boilers.  
Boiler foundations.  
Boiler tubes.  
Brick, fire.  
Cables.  
Covering, floor.  
Crockery, china and glassware.  
Deck fittings and plates.  
Dynamometers.  
Electric equipment and fixtures.  
Engines.  
Engine foundations.  
Fixtures, electric.  
Floor covering.  
Flooring.  
Furniture.  
Galley equipment.  
Generators.  
Glass, window.  
Heating equipment.  
Hoisting apparatus.  
Hose.  
Hull plates.  
Kitchen equipment.  
Launches.  
Life preservers.  
Life rafts.  
Life boats.  
Lighting equipment.  
Linens.  
Machines.  
Machine foundations.  
Masts.  
Musical instruments.  
Pantry equipment.  
Plumbing.  
Propellers.  
Pumps.  
Refrigerator equipment.  
Rigging.  
Rotors.  
Rudders.  
Shafting.  
Smokestacks.  
Steam distribution system.  
Steering equipment.  
Tall shaft.  
Tanks.  
Telephone apparatus.  
Tracks on floats.  
Winches.  
Windlasses.  
Wireless apparatus.

§ 324.2-143 *Harbor equipment.* This account shall include the cost of marine or floating equipment purchased or built by the carrier, for use in harbor-transportation service, including all appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation to port at which it enters service.

#### HARBOR EQUIPMENT

Barges for harbor service.  
Car and other floats for harbor service.  
Ferry boats.  
Lighters for harbor service.  
Motor launches.  
Transfer boats.  
Tug boats.

§ 324.2-144 *Miscellaneous floating equipment.* This account shall include the cost of marine or floating equipment purchased or built by the carrier for use in miscellaneous transportation service, including the cost of all appurtenances,



furniture, and fixtures to equip it for service, and cost of inspection and transportation to the port at which it enters service.

#### MISCELLANEOUS FLOATING EQUIPMENT

Derricks.  
Dredges.  
Floats.  
Pile drivers.  
Row boats.

#### TERMINAL PROPERTY AND EQUIPMENT

CROSS REFERENCE: See § 324.1-145 "Terminal property and equipment."

§ 324.2-146 *Buildings and other structures.* This account shall include the cost of fixed improvements purchased or built by the carrier for use in transportation service, such as buildings, wharves, docks, and other structures, including fixtures, machinery, appurtenances, and the cost of securing title and possession.

#### BUILDINGS, STRUCTURES, ETC.

Alarm systems.  
Baggage rooms.  
Bins for material.  
Blacksmith shops.  
Breakwaters for protection of structures.  
Boilers.  
Boiler rooms.  
Boiler shops.  
Buildings.  
Bulkheads.  
Carpenter shops.  
Cisterns.  
Coaling trestles.  
Counters.  
Cofferdams.  
Docks.  
Drainage systems.  
Dredging.  
Driveways.  
Eating rooms.  
Electric-light plants.  
Electric wiring.  
Elevators and machinery.  
Fences.  
Fire-alarm systems.  
Fire-equipment houses.  
Fire-extinguisher systems.  
Foundations.  
Foundries.  
Freight houses.  
Fuel stations.  
Fuel storage tanks.  
Garages.  
General office buildings.  
Generators.  
Grain elevators.  
Grain warehouses.  
Greenhouses.  
Heating plants.  
Hedges.  
Hose houses.  
Hydrants.  
Ice houses.  
Lighting plants.  
Lumber sheds.  
Machine shops.  
Motors.  
Office buildings.  
Paint shops.  
Pavement within grounds.  
Piers.  
Piling.  
Plumbing.  
Pipe lines, interior.  
Power plants.  
Pumping stations.  
Railings.  
Refrigeration equipment.  
Roofs.  
Sewer systems.  
Shelving.  
Shops.  
Sidewalks.  
Slips.

Sprinkler systems.  
Stables.  
Steam and hot water distribution systems.  
Storehouses.  
Tracks.  
Vaults.  
Waiting rooms.  
Washrooms.  
Water-supply systems.  
Watchhouses.  
Wharves.

NOTE: The cost of movable equipment shall be included in account 147, "Office and other terminal equipment."

§ 324.2-147 *Office and other terminal equipment.* This account shall include the cost of all movable equipment and furniture of buildings and other fixed improvements devoted to transportation service.

#### SHOP EQUIPMENT

Acetylene-cutting and welding machines.  
Anvils.  
Assorted dies and blocks.  
Beltings.  
Bench vises.  
Bolt cutters.  
Boring bars.  
Boring brasses.  
Burning torches.  
Cast iron face plates.  
Chain blocks.  
Charging boards (equipment for charging electric trucks).  
Compressed-air apparatus.  
Crosscut circular saws.  
Die-stock ratchets.  
Drill presses.  
Drills.  
Electric drills.  
Emery grinders.  
Forges.  
Furnaces.  
Hydraulic jacks.  
Iron horses.  
Lathes.  
Magnetos.  
Motors.  
Mould filling brasses.  
Paint burners.  
Paint-spraying machines.  
Pipe cutters.  
Portable boring bars.  
Portable electric grinders.  
Power machines.  
Power saws.  
Propeller fans.  
Punch and shears.  
Reamers.  
Riveters' hammers.  
Saws.  
Scales.  
Scaling hammers.  
Sewing machines.  
Shapers.  
Sledges.  
Stamping tools.  
Stationary engines.  
Steam hammers.  
Steam-test pumps.  
Stencil machines.  
Stillson wrenches.  
Swedges.  
Taper shanks.  
Tools.  
Torches.  
Tube expanders.  
Twist drills.  
Twist-drill and tool grinder.  
Ventilating set.  
Wrenches.

#### OFFICE EQUIPMENT

Adding machines.  
Addressing machines.  
Billing machines.  
Bins.  
Blackboards.  
Blueprinting machines.  
Bookkeeping machines.

Bookcases.  
Brief cases.  
Cabinets.  
Cages.  
Calculating machines.  
Call bells.  
Cameras.  
Carpets.  
Chairs.  
Check protectors.  
Clocks.  
Comptometer machines.  
Coolers.  
Costumers.  
Counters.  
Cuspidors.  
Desks.  
Dictaphones.  
Dishes.  
Display racks.  
Drafting and engineering instruments.  
Duplicating machines.  
Electric cooking utensils.  
Electric fans.  
Filing cabinets.  
Fire extinguishers.  
Floor covering.  
Floor scrubbing machines.  
Freight handling equipment.  
Guns.  
Jardinieres.  
Lamps.  
Lockers.  
Mailing machines.  
Mimeograph machines.  
Mirrors.  
Motion picture projectors.  
Numbering machines.  
Photostatic equipment.  
Pictures.  
Polishing machines.  
Printing press and printing equipment.  
Racks.  
Refrigerators.  
Revolvers.  
Rugs.  
Safes.  
Scales, mail or postal.  
Settees.  
Shelving, fixed or movable.  
Smokeadors.  
Stands.  
Stools.  
Stoves.  
Tables.  
Tableware.  
Typewriters.  
Vacuum cleaners.  
Vending machines installed in station and office buildings.

#### WHARF EQUIPMENT

Canvas covers.  
Canvas slings.  
Cargo blocks.  
Cargo chutes.  
Cargo hooks.  
Cargo rollers.  
Chain slings.  
Coal buckets.  
Conveyors.  
Cranes.  
Crowbars.  
Derricks, movable.  
Drum hoisters.  
Escalators.  
Fire barrels.  
Fire buckets.  
Fire extinguishers.  
Fire hose.  
Freight-handling equipment.  
Gangways.  
Gas tanks.  
Hand trucks.  
Lift jacks.  
Motor trucks, power driven.  
Paper slings.  
Platform scales.  
Platform trays.  
Pontoons.  
Racks.  
Rope.



Rope slings.  
Scales.  
Skids.  
Stages.  
Stalls for transportation of animals.  
Tackles.  
Tarpaulins.  
Tents.  
Tools, miscellaneous.  
Tractors.  
Trailers.  
Truck trays.  
Wharf fenders.  
Wire falls.  
Wire rope slings.

## GARAGE EQUIPMENT

Air compressors and tanks.  
Anvils.  
Arbor presses.  
Battery-charging outfits.  
Belts, shafts, and countershafts.  
Boring and reaming machines.  
Car washing machines.  
Cranes and hoists (portable).  
Creepers.  
Drill presses.  
Electric equipment.  
Engines and boilers.  
Forges.  
Gasoline and oil pumps and portable tanks.  
Greasing racks and pumps.  
Grinders.  
Jacks.  
Lathes.  
Lockers.  
Machine tools.  
Motor-driven hand tools.  
Oil reclaiming machines.  
Paint sprayers.  
Pneumatic tools.  
Storage bins and shelving (portable).  
Storeroom equipment (except office equipment).  
Stoves.  
Testing equipment.  
Tire-changing equipment.  
Tool racks.  
Vises.  
Vulcanizing equipment.  
Weighing devices.  
Welding apparatus.  
Wheel pullers.  
Work benches.

NOTE: Fixtures and appurtenances which form an integral part of a building or other structure shall be included in the cost of the structure.

§ 324.2-148 *Motor and other highway vehicles.* This account shall include the cost of motor and other highway vehicles, and the cost of transportation to the carrier's line.

## HIGHWAY EQUIPMENT

Automobiles.  
Buses.  
Carts.  
Harnesses.  
Horses and mules.  
Lift vans.  
Tractors, trailers, and semitrailers.  
Trucks.  
Wagons.

NOTE: Records shall be maintained in such manner as to show separately the cost of highway vehicles used in—

1. Transportation service subject to part II, and
2. Transportation service subject to part I and part III of the Interstate Commerce Act.

## LAND AND LAND RIGHTS

CROSS REFERENCE: See § 324.1-154 "Land and land rights."

§ 324.2-153 *Land.* (a) This account shall include the cost of land used or

held for use in transportation service, including:

(1) Cost of rights to occupy land permanently not purchased outright for transportation purposes.

(2) Cost of grounds for buildings and other fixed improvements and of the land for ingress to or egress from such grounds.

(3) Cost of "ground rents."

(4) Cost of riparian or literal rights.

(5) Cost of removing and locating elsewhere the property of others (including cost of land for relocation of property when such cost is assumed by the carrier).

(b) Proceeds from the sale of timber or improvements purchased with the land, or minerals known to be in the land when purchased, less any cost of removal, shall be credited to this account.

## DETAILS

1. Abstracts and guarantees of title.
2. Appraisals.
3. Commissions paid.
4. Compensation and expenses of land agents solely engaged in acquiring land.
5. Condemnation expenses, including court costs, and special counsel fees; also fees of parties appointed by the court to assess damages.
6. Costs, including agreed settlements, judgments, witness fees, and decreed court costs in proceedings to clear or defend titles against defects antedating the carrier's acquisition of property.
7. Cost of filling submerged or low land to establish a general level and grading land to render it usable for construction of fixed improvements.
8. Cost of making changes in or relocating property of others, when borne by carrier in order to secure permanent rights to locations, the cost of which is includible in this account; also the cost of securing sites for such relocations.
9. Ditches for waterways when part of consideration.
10. Easements, granting right of permanent occupancy of property for transportation service.
11. Lump-sum payments for right to use in perpetuity or for a period of years public property for transportation service. Such amounts paid for the right to use for a period of years only shall be amortized through account 521, "Water-line tax accruals," during the period of use.
12. Notarial fees.
13. Payments to vendors to secure release from restrictive provisions of original deeds.
14. Plats.
15. Premiums on condemnation bonds.
16. Recording deeds and easements.
17. Removal and relocation of buildings and other structures not purchased.
18. Surveys in connection with the purchase of the land.
19. Taxes and assessments for public improvements assumed at time of purchase.

NOTE A: When the acquisition of land for transportation service involves also the purchase of land not to be used for such purpose, the charges to this account shall be based upon the cost of the land purchased, less the estimated fair value of that portion which will not be so used.

NOTE B: The cost of land acquired for purposes other than transportation shall be included in account 160, "Noncarrier physical property." The cost of land acquired for which there is a definite plan for use in transportation service shall be included in account 155, "Construction work in progress," until the completion of the facilities constructed thereon.

NOTE C: Periodical payments for use of land for transportation purposes held under "ground rents" shall be charged to account 483, "Other operating rents."

NOTE D: When land with buildings thereon is acquired, each shall be separately appraised and the cost apportioned between the land and the buildings on the basis of such appraisals. If the removal of the buildings is contemplated, the cost of the land and buildings shall be accounted for as the cost of land and the salvage value of the buildings less the cost of removal if disposed of shall be deducted from the cost of the land.

NOTE E: Held for use referred to in paragraph (A) implies the ability of the carrier to substantiate by plans or policy its characterization of the probable future use which is to be made of the land within a reasonable period of time.

§ 324.2-154 *Public improvements.* This account shall include amounts assessed on carrier property by governmental authority to cover the cost of constructing public improvements, when such assessments are made against property within defined areas of taxing districts. It shall include also the cost borne by the carrier of public improvements constructed by it under governmental requirements.

## DETAILS

1. Curbing streets and highways.
2. Drainage systems.
3. Flood protection.
4. Grade eliminations.
5. Grading streets and highways.
6. Guttering streets and highways.
7. Irrigation systems.
8. Levees.
9. Paving streets and highways.
10. Sewer systems.
11. Sidewalks.
12. Street-lighting systems.
13. Viaducts carrying streets and highways over terminal property.
14. Water works.

NOTE A: The cost to the carrier of assessments on carrier property for maintaining or renewing public improvements shall be included in operating expenses.

NOTE B: Any portion of the cost of public improvements which is included in the general tax levy for a regular taxing district shall be included in the account appropriate for taxes.

NOTE C: When an assessment for the construction of public improvements is to be paid in installments over a period of more than one year, the full amount thereof shall be charged to this account when the assessment is levied and the amount of the deferred payments shall be appropriately credited to account 211, "Funded debt." The installments of the assessments shall be charged to that account as they become due and payable. Interest on the assessments shall be included in account 528, "Interest on funded debt."

NOTE D: Penalties imposed for failure to pay assessments within the allotted time shall be charged to account 529, "Interest on unfunded debt."

NOTE E: Assessments on noncarrier property for the cost of constructing public improvements shall be charged to account 160, "Noncarrier physical property."

§ 324.2-156 *Construction work in progress.* (a) This account shall include the cost of transportation property in process of construction and not completed at the date of the balance sheet. When any property, the cost of which has been included in this account, is completed, the cost thereof shall be credited



to this account and charged to appropriate primary accounts of this classification provided for such property.

(b) The cost of land acquired for which there is a definite plan for use in transportation service shall be included in this account until the completion of the carrier facilities constructed thereon.

NOTE: It is not required that this account shall include the cost of construction work which is placed in service as the work progresses.

#### EARNED SURPLUS ACCOUNTS

§ 324.3-281 *Net income balance.* This account shall include the net balance of the income accounts for the calendar year.

#### CREDIT ACCOUNTS

§ 324.3-282 *Credits from transportation property retired.* This account shall include the net proceeds realized from the sale of carrier property; also insurance recoverable from lost or damaged property in excess of the book cost after deducting any expense in connection with its sale.

§ 324.3-283 *Miscellaneous credits.* This account shall include amounts creditable to earned surplus, including amounts representing increases of resources, not properly assignable to other accounts. Among such items are:

1. Adjustments of depreciation reserve authorized by the Commission.
2. Cancellation of liability accounts (including unclaimed wages) written off because of carrier's inability to locate the creditor.
3. Credits resulting from adjustments required to bring to par long-term debt obligations issued or assumed by the carrier and reacquired at a cost less than par value.
4. Items, except unrefundable revenue overcharges, erroneously collected and retained on account of inability to make refund.
5. Profit derived from the sale of securities of others held as investments.
6. Profit derived from the sale of noncarrier physical property.
7. Recovery of fines previously charged to surplus.
8. Remittances received from anonymous sources.
9. Unamortized premiums on long-term debt reacquired before maturity.

#### DEBIT ACCOUNTS

§ 324.3-285 *Miscellaneous debits.* This account shall include amounts chargeable to earned surplus, including amounts not properly assignable to other accounts. Among such items are:

1. Adjustments of land values.
2. Book cost (in excess of reserve provisions) of improvements on leased property at time of reversion to lessor.
3. Debits resulting from adjustments required to bring to par long-term debt obligations issued or assumed by the carrier and reacquired at a cost exceeding par value.
4. Discount and expense on capital stock remaining unextinguished at the time of its retirement, in excess of the pro rata portion includible in unearned surplus.
5. Adjustments of the depreciation reserve authorized by the Commission.
6. Loss of funds due to bank failures.
7. Losses resulting from revaluation or sale of securities of others held as investments.
8. Losses resulting from the sale, destruction, or abandonment of noncarrier physical property.

9. Payments of liabilities previously written off through earned surplus.

10. Penalties and fines for violations of the Interstate Commerce Act, and other Federal or State laws when not specifically provided for elsewhere.

11. Unextinguished discounts and expenses on funded debt reacquired before maturity.

§ 324.3-286 *Miscellaneous reservations of earned surplus.* (a) This account shall include appropriations of earned surplus set aside in special reserve, including amounts appropriated to sinking fund and other special funds maintained by the carrier.

(b) Amounts charged to this account shall be credited to account 260, "Earned surplus—Appropriated."

NOTE A: Similar appropriations made from income shall be charged to account 533, "Miscellaneous reservations of income."

NOTE B: The use of this account is conditional upon the carrier's having an adequate credit balance in earned surplus.

§ 324.2-287 *Dividend appropriations of earned surplus.* (a) This account shall include amounts definitely declared payable from earned surplus as dividends on actually outstanding capital stock issued or assumed by the carrier, other than debenture stock. If a dividend is not payable in cash, the consideration shall be described in the entry with sufficient particularity to identify it.

(b) This account shall be subdivided so as to show separately the dividends on the various subclasses of capital stock.

NOTE: This account shall not include dividends on capital stock issued or assumed by the carrier and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or other special funds.

#### FORM OF INCOME STATEMENT

The classified form of income statement is designed to show the net income or loss from water-line transportation operations and from other sources during any specified period. As of the end of each calendar year, all accounts enumerated in the following statement shall be closed and the net balance transferred to earned surplus.

#### I. Water-line operating income:

300. Water-line operating revenues.....	\$		\$
400. Water-line operating expenses.....			
Net revenue from water-line operations <sup>1</sup> .....			
521. Water-line tax accruals.....			
Net revenue less taxes from water-line operations <sup>1</sup> .....			

#### II. Other income:

502. Income from noncarrier operations.....			
503. Dividend income.....			
504. Interest income.....			
505. Income from sinking and other special funds.....			
506. Release of premium on long-term debt.....			
507. Miscellaneous income.....			
508. Delayed income credits.....			
Total other income.....			

Total income<sup>1</sup>.....

#### III. Miscellaneous deductions from income:

523. Expenses of noncarrier operations.....			
524. Uncollectible accounts.....			
526. Maintenance of investment organization.....			
527. Miscellaneous income charges.....			
534. Delayed income debits.....			
Total income deductions.....			

Net income before fixed charges<sup>1</sup>.....

#### IV. Fixed charges:

528. Interest on funded debt.....			
529. Interest on unfunded debt.....			
530. Amortization of discount on long-term debt.....			
Total fixed charges.....			

Net income before provision for income taxes<sup>1</sup>.....

#### V. Provision for income taxes:

532. Income taxes.....			
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Net income after income taxes<sup>1</sup>.....

#### VI. Disposition of net income:

531. Miscellaneous amortization charges to income.....			
533. Miscellaneous reservations of income.....			
Total appropriations of income.....			

281. Net income balance<sup>1</sup>.....

<sup>1</sup> If a loss, show the amount in red.

#### INCOME ACCOUNTS

##### CREDIT ACCOUNTS

§ 324.4-300 *Water-line operating revenues.* This account shall include the total revenues derived from transportation service included in the operating-revenue accounts. (See §§ 324.6-301 to 324.6-355.)

§ 324.4-502 *Income from noncarrier operations.* This account shall include the income derived from noncarrier physical property and also from noncarrier physical property leased from others.

§ 324.4-503 *Dividend income.* (a) This account shall include dividends declared on stocks of other companies



whether such stocks are owned by the carrier and held in its treasury, or deposited in trust, or controlled through lease or otherwise.

(b) Dividends may be credited prior to actual collection if their payment is reasonably assured by past experience, guaranty, anticipated provisions, or otherwise.

NOTE A: Dividends on stocks of other companies held in sinking or other special funds shall be credited to account 505, "Income from sinking and other special funds."

NOTE B: This account shall not include credits for dividends on stocks issued or assumed by the carrier, whether held in the treasury, in sinking or other reserve funds, or pledged as collateral.

§ 324.4-504 *Interest income.* (a) This account shall include the interest on securities and debenture stock of other companies, whether such securities are owned by it and held in its treasury or deposited in trust, or controlled through lease or otherwise. It shall include also interest on bank balances, certificates of deposit, open accounts, and other analogous items. Interest shall not be credited before actual collection unless its payment is reasonably assured.

(b) There may be included in this account for each fiscal period the applicable amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities owned, the income from which is includible in this account. Amounts thus credited or charged shall be concurrently included in the accounts in which the investment in the securities is carried. Any discount or premium remaining unextinguished upon the maturity and satisfaction of such securities shall be cleared to earned surplus.

NOTE A: Interest on securities of other companies, held in sinking or other special funds shall be included in account 505, "Income from sinking and other special funds."

NOTE B: Discount on bills for material purchased shall operate to reduce the cost of the material.

NOTE C: This account shall not include interest on securities issued or assumed by the carrier whether held in the treasury, in sinking or other funds or pledged as collateral.

§ 324.4-505 *Income from sinking and other special funds.* (a) This account shall include the income accrued on cash, securities of other companies, and other assets (not including securities issued or assumed by the carrier) held in sinking and other special funds.

(b) There may be included in the accounts for each fiscal period the applicable amount requisite to extinguish during the interval between the date of acquisition and the date of maturity the discount or premium on funded securities of other companies held in sinking or other reserve funds. Amounts thus credited or charged shall be concurrently charged or credited to the accounts in which the book cost of the securities is included.

NOTE A: Credits to this account representing income from special funds (retainable in them) shall be concurrently charged to account 533, "Miscellaneous reservations of

income," and credited to account 260, "Earned surplus—Appropriated."

NOTE B: No dividends or interest on securities issued or assumed by the carrier shall be credited to this account.

§ 324.4-506 *Release of premium on long-term debt.* This account shall include during each fiscal period such proportion of the premiums on outstanding long-term debt as is applicable to that period.

§ 324.4-507 *Miscellaneous income.* This account shall include items not provided for elsewhere properly creditable to income during the fiscal period.

#### ITEMS

1. Profits derived from conversion of money of a foreign country into United States money.

2. Fees collected in connection with the exchange of coupon bonds for registered bonds.

3. Profits from sale of temporary cash investments.

4. Proceeds from the sale of mineral deposits in excess of the cost thereof including cost of recovery.

§ 324.4-508 *Delayed income credits.* This account shall include delayed credit items and adjustments for which no provision has previously been made relating to operating revenues, operating expenses, and income arising during the current year which are applicable to previous calendar years and which are relatively so large that their inclusion in the appropriate accounts of the current year would seriously distort those accounts.

NOTE: All entries in this account shall be made in such detail as will indicate the operating-revenue, operating-expense, or income accounts to which they relate.

#### DEBIT ACCOUNTS

§ 324.5-400 *Water-line operating expenses.* This account shall include the total expenses incurred in conducting transportation services and included in the operating-expense accounts. (See §§ 324.7-401 to 324.7-495.)

§ 324.5-521 *Water-line tax accruals.* (a) This account shall include provision for Federal, capital stock, state, county, municipal and other taxing district taxes (excluding income and excess profit taxes) applicable to the period for which the income account is stated. Taxes accruing prior to their payment shall be credited to account 206, "Accrued taxes."

(b) This account shall be kept in such a manner as to show the amount of each class of taxes.

(c) This account shall include:

(1) Taxes on earnings or income when in lieu of taxes on transportation property.

(2) Taxes on franchises or privileges of conducting transportation operations.

NOTE A: Taxes on other than transportation operations or property shall be charged to account 523, "Expenses of noncarrier operations." When taxes are levied so that the amount applicable to each class of property is not definitely stated, the total amount of the levy shall be apportioned on an equitable basis.

NOTE B: Special assessments for street and other improvements, and special benefit

taxes, such as water taxes and the like, shall be included in operating expenses.

NOTE C: Discount allowed for prompt payment of taxes shall be credited to the account to which the taxes are chargeable.

NOTE D: Interest and penalties on tax assessments shall be charged to account 529, "Interest on unfunded debt."

NOTE E: Taxes on interest on carrier's long-term debt paid at the source under tax-free covenants shall be charged to account 527, "Miscellaneous income charges."

NOTE F: Where sales or other taxes are assessed as part of the cost of tangible personal property, they shall be included in the cost of the property purchased.

NOTE G: Taxes assessed against carriers for electric energy, telegraph, telephone, radio, cable messages, checks, and safe-deposit boxes, social security taxes, and motor vehicle drivers' licenses shall be included in operating expenses.

NOTE H: Taxes collected which are payable to governmental agencies shall be included in account 202, "Accounts payable."

§ 324.5-523 *Expenses of noncarrier operations.* This account shall include the expenses (including depreciation, taxes, rent, and insurance) of maintaining and operating noncarrier physical property; also of noncarrier physical property leased from others. The rental for such property and directly assignable organization or administration expenses incident to investment in noncarrier physical property shall be included in this account.

§ 324.5-524 *Uncollectible accounts.* This account shall be charged each month with amounts estimated as the loss from uncollectible accounts. Concurrently, credits shall be made to account 109, "Reserve for doubtful accounts," which latter account shall be charged with amounts determined to be uncollectible and credited with amounts written off and subsequently collected. The estimates shall be adjusted at the end of the calendar year to conform to the experience of the carrier as determined by an analysis of its accounts. This account shall also be charged with amounts determined to be uncollectible when no reserves are provided for doubtful accounts.

§ 324.5-526 *Maintenance of investment organization.* This account shall include the directly assignable organization and administration expenses of a lessor company which are incident to its investment in water-line property leased to others, and in stocks, bonds, or other securities.

NOTE: Organization and administration expenses incident to operations are provided for in operating expenses.

§ 324.5-527 *Miscellaneous income charges.* This account shall include items not provided for elsewhere properly chargeable to income.

#### ITEMS OF EXPENSE

1. Calls for bids in accordance with provisions of mortgages.

2. Cost of advertising bonds drawn for redemption.

3. Losses due to conversion of money of a foreign country into United States money.

4. Premiums on bonds to assure performance of agreements when chargeable to income accounts.



5. Taxes on interest on carrier's funded debt paid at the source under tax-free covenants.

6. Trusts, current expenses of maintaining and administering.

7. Trustees' commissions and fees for paying out bond interest and expenses including registrars' fees connected with such payments.

§ 324.5-528 *Interest on funded debt.* This account shall include current accruals of interest on all classes of debt, the principal of which is includible in long-term debt.

NOTE A: This account shall not include charges for interest on funded-debt obligations issued or assumed by the carrier and owned by it.

NOTE B: Interest provided for in the face amount of securities issued in the acquisition of equipment or other property shall be charged at the time of issuance to account 172, "Prepayments," and cleared to this account as the interest accrues.

NOTE C: Interest on matured debt shall be included in account 529, "Interest on unfunded debt."

§ 324.5-529 *Interest on unfunded debt.* (a) This account shall include current accruals of interest payable, except that chargeable to account 528, "Interest on funded debt." Discount and expense on short-term notes shall be charged to this account.

(b) A list of representative items follows:

#### ITEMS

1. Advances other than investment advances from affiliated companies.
2. Bond coupons, matured and unpaid.
3. Claims and judgments.
4. Long-term debt matured.
5. Open accounts (other than those includible in account 213, "Affiliated companies—Advances payable").
6. Short-term notes payable on demand or having maturity dates one year or less from date of issue.
7. Tax assessments, past due.

§ 324.5-530 *Amortization of discount on long-term debt.* This account shall include during each fiscal period such proportion of the discount and expenses on outstanding long-term debt as is applicable to that period.

§ 324.5-531. *Miscellaneous amortization charges to income.* This account shall include charges for amortization of discount, commission, and expense on capital stock issued by the carrier when it elects to amortize such items through such regular charges to income as will equitably distribute the amount thereof over a definite period. Include also such other amortization charges as may be properly includible in income.

§ 324.5-532 *Income taxes.* This account shall include accruals for taxes based on the carrier's income or excess profits when not in lieu of a property tax.

§ 324.5-533 *Miscellaneous reservations of income.* This account shall include appropriations of income for sinking fund and other special funds and accretions to sinking and other funds representing interest or other returns on the contents of funds (retainable therein); also appropriations of income for purposes not provided for elsewhere. Amounts charged to this account shall be

concurrently credited to account 260, "Earned surplus—Appropriated."

§ 324.5-534 *Delayed income debits.* This account shall include debit items and adjustments for which no provision has previously been made relating to operating revenues, operating expenses, and income arising during the current

year which are applicable to previous calendar years and which are relatively so large that their inclusion in the appropriate accounts of the current year would seriously distort those accounts.

NOTE: All entries in this account shall be made in such detail as will indicate the operating-revenue, operating-expense, or income accounts to which they relate.

### OPERATING-REVENUE ACCOUNTS

#### Accounts To Be Kept By Class A Companies

##### I. Operating Revenue—Line Service

301. Freight revenue.
302. Passenger revenue.
303. Baggage.
304. Mail.
305. Express.
306. Miscellaneous voyage revenue.
312. Demurrage.
313. Revenue from towing for regulated carriers.

##### II. Other Operating Revenue

320. Special services.
321. Ferry service.

##### III. Revenue from Terminal Operations

331. Revenue from cargo-handling operations.
332. Revenue from tug and lighter operations.
333. Agency fees, commissions, and brokerage.
334. Miscellaneous operating revenue.

##### IV. Rent Revenue

341. Revenue from charters.
342. Other rent revenue.

##### V. Motor-Carrier Operations

351. Motor-carrier revenue.

#### Accounts To Be Kept By Class B Companies

##### I. Operating Revenue—Line Service

301. Freight revenue.
302. Passenger revenue.
303. Other line service revenues.
313. Revenue from towing for regulated carriers.

##### II. Other Operating Revenue

320. Special services.
321. Ferry service.

##### III. Revenue from Terminal Operations

331. Terminal revenues.

##### IV. Rent Revenue

341. Charter and other rents.

##### V. Motor-Carrier Operations

351. Motor-carrier revenue.

### OPERATING REVENUE; LINE SERVICE

§ 324.6-301 *Freight revenue.* This account shall include the revenue accruing from the transportation of freight upon the basis of lawful tariff rates or special contracts.

#### Items to be credited:

1. Revenue upon the basis of local freight tariff rates.
2. The carrier's proportion of revenue upon the basis of joint freight tariff rates.
3. Revenue from the transportation of mail matter and empty mail pouches at freight rates.
4. Arbitraries in the division of joint freight rates for such allowances as cargo insurance, and similar items.
5. Revenue from transportation of freight on basis of special contract excluding towing in line service for other regulated carriers.
6. Revenue from towing service performed for private carriers.
7. Revenue from charter rental of vessels to shippers when such rental is dependent upon the commodities and volume of freight transported.
8. Revenue from the transportation of automobiles at special rates when incident to the transportation of passengers.
9. The proportion accruing to the carrier of revenue from pools for the purpose of equalizing revenues.

#### Items to be charged:

1. Refunds of overcharges due to erroneous weights, measurements, rates, classifications, or computations.
2. The carrier's proportions of refunds on account of errors in routing and billing.
3. The carrier's proportions of uncollected charges on lost, damaged, or destroyed ship-

ments where neither shipper nor consignee is liable.

4. Foreign lines' proportions of overcharges assumed by the carrier under reciprocal rule establishing a voucher minimum.

5. Amounts payable for switching service and collection and delivery service when performed as part of the transportation of freight.

NOTE A: Other carriers' proportions of uncollectible undercharges paid by the carrier on account of its errors in routing and billing shall be charged to account 450, "Other terminal operations."

NOTE B: Other carriers' proportions of uncollected tariff charges paid by the carrier on freight lost, destroyed, or damaged in transit shall be charged to account 452, "Loss and damage—Freight," when not recoverable from insurance.

NOTE C: This account shall be maintained to show separately payments and allowances (a) to rail carriers, (b) to motor truck operators and others, and (c) allowances to shippers and consignees for collection and delivery service and switching service when performed at terminals as part of the transportation of freight on basis of tariff rates.

§ 324.6-302 *Passenger revenue.* This account shall include the revenue accruing from the transportation of passengers based upon lawful tariff fares.

The credits to this account shall appear under appropriate subheads as follows:

1. Revenue from transportation of passengers not including sleeping accommodations and meals.
2. Revenue from the rent of staterooms, berths in staterooms, and other sleeping and living accommodations.



3. Revenue from the sale of meals and food supplies.

4. Revenue from the transportation of passengers, including sleeping accommodations and meals (when not separable).

*Items to be credited:*

1. Revenue upon the basis of local fares.

2. The carrier's proportion of revenue from joint tariff fares.

3. Revenue from extra fares for limited service.

4. Revenue from mileage and scrip coupons honored.

5. Revenue from the transportation of corpses.

*Items to be charged:*

1. Redemptions of unused or partially used local passenger tickets.

2. The carrier's proportion of redemptions of unused or partially used joint tariff passenger tickets.

3. Refunds of overcharges resulting from collections in excess of lawful fares.

NOTE: No credits shall be included in this account for transportation, accommodations, and meals furnished employees.

§ 324.6-303 *Baggage*. This account shall include the revenue accruing from the transportation of baggage in excess of free authorized allowance; also the revenue from the transportation of packages, baby carriages, bicycles, animal pets, and other articles at other than freight or express tariff rates.

§ 324.6-304 *Mail*. This account shall include the revenue accruing from the transportation of mail at established rates for specific routes; from the use of special facilities; from bonuses for special mail transportation; and all other revenues accruing under the terms of general mail contracts with the Government.

*Items to be charged:* Fines and penalties imposed by the Government when not collected from agents or employees.

NOTE A: The revenue from the transportation of mail matter and empty mail pouches as freight shall be included in account 301, "Freight revenue."

NOTE B: When contracts with the Government provide specific amounts for the rent of mail facilities at stations, such amounts shall be included in account 342, "Other rent revenue."

§ 324.6-305 *Express*. This account shall include the revenue accruing from transportation of express matter and from the use of facilities on vessels and at stations incident to such transportation.

When a carrier transacts an express business through its regular organization, the revenue therefrom shall be credited to this account.

NOTE: When contracts for express privileges provide specific amounts for the rent of facilities at stations, such amounts shall be included in account 342, "Other rent revenue."

§ 324.6-306 *Miscellaneous voyage revenue*. This account shall include the revenue earned by a carrier from sources incidental to transportation service and not provided for elsewhere.

*Items to be credited:*

1. Receipts from the sale of tobacco, cigars, cigarettes, beverages, mineral waters, ice cream, and buffet and bar supplies.

2. Receipts from the sale of books, periodicals, and other newsstand supplies.

3. Revenue from the rent of steamer chairs, rugs, and cushions.

4. Revenue from parcel rooms on vessels.

5. Revenue from weighing and vending machines on vessels.

6. Revenues from pay toilets on vessels.

7. Commissions from baggage insurance sold.

8. Tolls on radio messages.

9. Revenue from concession given to others to sell buffet and other supplies on vessels.

10. Revenue from the furnishing of exclusive service of stewardesses, stewards, or other vessel employees to passengers.

11. Revenue from barber or valet services rendered to passengers.

12. Revenue from telephone calls made from ship.

13. Revenue from refrigeration aboard vessels.

14. Revenue from special services by vessels in assisting other craft when aground, helping through cutoffs, catching vessels adrift, and other similar services.

§ 324.6-312 *Demurrage*. This account shall include per diem earned by the carrier for use of equipment on account of delay in excess of free time in loading and discharging cargo or releasing equipment.

§ 324.6-313 *Revenue from towing for regulated carriers*. This account shall include the revenue derived from services performed for other regulated water carriers in towing loaded or empty barges, and other similar equipment by line vessels.

NOTE A: Charges assessed against the carrier for whom such services are performed shall be included in account 429, "Outside towing expenses."

NOTE B: Revenue derived from towing performed for private carriers shall be included in account 301, "Freight revenue."

OTHER OPERATING REVENUE

§ 324.6-320 *Special services*. This account shall include the revenue from short excursions or special trips at lump-sum charges for such service between designated points.

§ 324.6-321 *Ferry service*. (a) This account shall include the revenue from the transfer by ferry of freight, passengers, vehicles, and livestock upon the basis of tariff rates for services performed.

(b) The credits to this account shall be recorded under appropriate subheads as follows:

1. Freight.
2. Passengers.
3. Vehicles and livestock.
4. Other.

REVENUE FROM TERMINAL OPERATIONS

§ 324.6-331 *Revenue from cargo-handling operations*. This account shall include the revenue derived from the performance by the carrier of stevedoring and other cargo-handling services for others, such as checking tallying, receiving, transferring, delivering, cooping, and use of gear and equipment, including wharfage, transfer, handling and car loading and unloading when allowed as arbitraries in division of rates.

§ 324.6-332 *Revenue from tug and lighter operations*. This account shall include the revenue derived from services performed by the carrier for others by its tugs, lighters, barges, scows, launches, floating cranes, and similar floating equipment, including rental of equipment, arbitraries allowed in divi-

sion of lighterage rates and demurrage on lighter and other harbor equipment.

§ 324.6-333 *Agency fees, commissions, and brokerage*. This account shall include the revenue derived from agency fees, commissions, and brokerage covering services rendered to others when acting as agents for their vessels.

§ 324.6-334 *Miscellaneous operating revenue*. This account shall include revenue derived from shore operations incidental to the shipping business for which no other accounts are provided.

*Items to be credited:*

1. Revenue from advertising space in time-tables, folders, and magazines.

2. Revenue from amusement parks.

3. Forwarding fees.

4. Revenue from clergy bureaus.

5. Revenue from commissions for collecting from employees premiums on insurance policies and installment payments for books, watches, etc.

6. Revenue from commissions received on ticket sales.

7. Revenue from garnishment fees.

8. Revenue from penalties for loss of baggage and parcel-check.

9. Revenue from operation of parcel rooms and lavatories at terminals.

10. Revenue from public telephone messages.

11. Revenue from sale of electricity.

12. Revenue from the sale of tariffs.

13. Revenue from sight-seeing tickets sold.

14. Revenue from storage of freight.

15. Revenue from ticket-validation agencies.

16. Revenue from vending machines at terminals.

17. Revenue from waste paper and old records sold.

18. Revenue from water sold.

19. Revenue from protective service such as refrigeration and precooling.

20. Insurance collections in excess of expenses applicable to maintenance or operation.

21. Revenue from watchmen's services.

22. Revenue from holding charges.

23. Revenue from terminal operations not provided for elsewhere.

RENT REVENUE

§ 324.6-341 *Revenue from charters*. (a) This account shall include the revenue receivable by the carrier under contract for the charter of its vessels to other carriers (or to shippers when the amount receivable for charter is not dependent upon the commodities and volume of freight transported) such as bare boat and time charters.

(b) The carrier shall include the charter revenue receivable under the contract in this account and shall include in the appropriate operating-expense accounts, the operating expenses, if any, incurred and borne by it in operating vessels so chartered.

NOTE: Charter revenue derived from rental of vessels to shippers where such revenue is dependent upon the commodities and volume of freight transported shall be included in account 301, "Freight revenue."

§ 324.6-342 *Other rent revenue*. This account shall include the amounts derived from rental or lease of terminal facilities by the carrier to others including dockage, side wharfage, top wharfage, use of doorways, lights, etc., including revenue from freight and passenger privileges over the carrier's wharves and docks.



**MOTOR-CARRIER OPERATIONS**

§ 324.6-351 *Motor-carrier revenue.*  
(a) This account shall include the operating revenues accruing to the carrier from the transportation of passengers, freight, express, and mail by motor vehicles operated in highway service in addition to or in lieu of services performed by vessels.

(b) The carrier shall maintain the primary revenue accounts prescribed by the Commission in the uniform systems of accounts for motor carriers of property and persons.

§ 324.6-355 *Interdepartmental credits.* If a carrier so elects, this account

may include amounts which are credited to appropriate primary revenue accounts and concurrently charged to appropriate primary operating expense accounts representing interdepartmental items in connection with the operation of the carrier's terminal facilities while used by its own vessels in its own service. The carrier shall maintain subaccounts corresponding to the primary revenue accounts to which such credits shall be first allocated, and after closing the accounts, the amounts in these subaccounts shall be transferred to this account. In preparing and rendering reports to this Commission, the amounts in this account shall be omitted.

**OPERATING-EXPENSE ACCOUNTS**

*Accounts To Be Kept by Class A Companies*  
I. Maintenance Expenses

- 401. Supervision.
- 402. Repairs of floating equipment.
- 404. Repairs of buildings and other structures.
- 405. Repairs of office and terminal equipment.
- 406. Repairs of highway equipment.
- 407. Shop expenses.
- 408. Other maintenance expenses.

II. Depreciation and Amortization

- 411. Depreciation—Transportation property.
- 412. Depreciation adjustment.
- 413. Amortization of investment—Leased property.
- 414. Amortization of defense projects.

III. Transportation Expenses

A. Line Service

- 421. Supervision.
- 422. Wages of crews.
- 423. Fuel.
- 424. Lubricants and water.
- 425. Food supplies.
- 426. Stores, supplies, and equipment.
- 427. Buffet supplies.
- 428. Other vessel expenses.
- 429. Outside towing expenses.
- 430. Wharfage and dockage.
- 431. Port expenses.
- 432. Agency fees and commissions.
- 433. Lay-up expenses.

B. Terminal Service

- 441. Supervision.
- 442. Agents.
- 443. Stevedoring.
- 444. Precooling and cold-storage operations.
- 445. Light, heat, power, and water.
- 446. Stationery and printing.
- 447. Tug operations.
- 448. Operation of highway vehicles.
- 449. Local transfers.
- 450. Other terminal operations.

*Accounts To Be Kept by Class B Companies*  
I. Maintenance Expenses

- 401. Maintenance of vessels and other property.

II. Depreciation and Amortization

- 411. Depreciation and amortization.

III. Transportation Expenses

A. Line Service

- 421. Operation of vessels.

- 433. Lay-up expenses.

B. Terminal Service

- 441. Terminal expenses.

**OPERATING-EXPENSE ACCOUNTS—Continued**

*Accounts To Be Kept by Class A Companies—Continued*

IV. Casualties

- 451. Supervision.
- 452. Loss and damage—Freight.
- 453. Loss and damage—Baggage.
- 454. Damage to property.
- 455. Injuries to persons.

V. Traffic Expenses

- 456. Supervision.
- 457. Outside traffic agencies.
- 458. Advertising.
- 459. Other traffic expenses.

VI. General Expenses

- 461. General officers and clerks.
- 462. General office supplies and expenses.
- 463. Law expenses.
- 464. Management commissions.
- 465. Pensions and relief.
- 466. Stationery and printing.
- 467. Other expenses.

VII. Insurance

- 471. Hull and disbursement insurance.
- 472. Cargo insurance.
- 473. Protection and indemnity insurance.
- 474. Other insurance.

VIII. Operating Rents

- 481. Charter rents.
- 483. Other operating rents.

IX. Operating Taxes

- 485. Payroll taxes.

X. Motor-Carrier Operations

- 491. Motor-carrier expenses.

IV. Casualties

- 451. Casualties.

V. Traffic Expenses

- 456. Traffic expenses.

VI. General Expenses

- 461. General expenses.

VII. Insurance

- 471. Insurance.

VIII. Operating Rents

- 481. Charter and other rents.

IX. Operating Taxes

- 485. Payroll taxes.

X. Motor-Carrier Operations

- 491. Motor-carrier expenses.

**MAINTENANCE EXPENSES**

§ 324.7-401 *Supervision.* This account shall include the pay of department heads and their assistants directly in charge of and engaged in maintenance, including clerks and attendants and the office and other expenses of the employees whose pay is chargeable to this account.

**Items**

- Auto service.
- Books.
- Directories.
- Express charges.
- Heat.
- Ice.
- Light.
- Maps and plans.
- Membership in association.
- Newspapers.
- Periodicals.
- Photographs.
- Supplies for cleaning.
- Supplies for office.

Stationery and printing.  
Telegraph and telephone.  
Traveling expenses.  
Wireless service.

**Note:** When department heads have direct supervision over other operating departments, the pay and expenses of their office shall be apportioned equitably over the departments under their supervision.

§ 324.7-402 *Repairs of floating equipment.* This account shall include the cost of material and labor expended in making repairs to vessels and other floating equipment (not recoverable from insurance) directly attributable to replacement or restoration to a satisfactory condition of damaged and worn parts of vessels and other floating equipment, their machinery and fixtures comprising integral parts of such units.

The following is a representative list of items:

- (a) *Repairs to hull.*  
Beam frames, floors, girders, stringers.



Bulkheads and watertight.  
 Cargo lights and accessories.  
 Cargo ports and hatches.  
 Caulking decks.  
 Cost of surveys.  
 Credit for salvage material.  
 Deck houses, doors, windows, canvas decks, companionways, skylights.  
 Decks and superstructure.  
 Degaussing-Depermaning, wiping and flashing.  
 Derricks, cargo cranes.  
 Dry-docking and painting bottom.  
 Fire and general alarm systems.  
 Hold stanchions and ladders.  
 Loud speakers.  
 Other mechanical work on deck fitting and appliances.  
 Other miscellaneous hull work.  
 Railings, port lights, scuttles, coal holes, and ventilators.  
 Rudder and attachments (including quadrant).  
 Sea chests and sea valves.  
 Shell plating, deck plating, bulkheads, casings, built-in tanks, tank tops.  
 Sluice gates, bilge suction systems, sounding pipes, scuppers, fire-main.  
 Sprinklers.  
 Steering-gear loads, sheaves, controlling gear.  
 (b) *Repairs to machinery.*  
 Air conditioning equipment.  
 All pumps, independent and attached to engine.  
 Ash-hoisting apparatus, discharge pipe and hooper.  
 Auxiliary condenser.  
 Boiler ash pans, ash guards and boiler repairs.  
 Boiler casting for furnace, connecting doors (labor).  
 Boiler furnaces and combustion chambers.  
 Boiler heads and shell.  
 Boiler smoke pipe, uptakes, furnace fronts.  
 Boiler tubes.  
 Boiler valves and mounting.  
 Blowers and airducts.  
 Capstans.  
 Cargo winches.  
 Dynamos and electrical fittings.  
 Electric generators and switchboards (including those for space occupied by machinery only).  
 Engine and boiler room floor plates and supporting structures.  
 Evaporators, distiller, filter tanks, donkey tank.  
 Hoisters.  
 Insulation on machinery, boilers, piping (not including sanitary lines, heating system, refrigerating or fresh water service).  
 Large ventilating fans.  
 Main condenser.  
 Main engine cylinders, pistons, valves, main engine parts, thrust bearings.  
 Piping fixtures, valves (not including sanitary, heating, refrigerator, or fresh water system).  
 Propeller, shafting and stern tube.  
 Refrigerating apparatus as far as loads to storage boxes.  
 Steering engine.  
 Windlass.  
 (c) *Repairs to fixtures.*  
 Brickwork on floors, tiling, asphalt, cementing.  
 Drinking tanks, filters, fountains.  
 Emergency escape panel kickout.  
 Ice boxes, refrigerating pipes and insulation.  
 Labor and material on heating system, steam to galley and pantry.  
 Labor and material—sanitary, drains, fresh water, hand pumps, sinks.  
 (d) *Miscellaneous.*  
 All repairs to floating equipment not provided for elsewhere. Towage of floating equipment to and from repair yards and docking and undocking.

NOTE: The cost of repairs resulting from casualties shall be charged to account 170.

"Claims pending," when covered by insurance. Any part of such cost not recoverable from underwriters or chargeable to the insurance reserve shall be charged to this account.

§ 324.7-404 *Repairs of buildings and other structures.* This account shall include:

1. Cost of material used and labor expended in repairing fixed improvements of all classes, such as wharves, docks, and other landings or structures; pontoons, slips, sea walls, bulkheads, jetties, drydocks, and inclines thereto, including filling, strengthening, bracing, and painting.
  2. Cost of repairing crib-work, racks, and bulkheads constructed for preserving the depth of water secured by dredging.
  3. Cost of dredging to restore the depth of water.
  4. Cost of repairs to guard and other piling, also cutting ice around docks and wharves to prevent damage, expenditures for protection against fire, and other expenses of a like nature.
  5. Cost of repairs to general office and other buildings or structures, platforms, inclines to buildings.
  6. Cost of repairing fixtures, machinery, and appurtenances.
- Labor and material used in repairing the following:
- Alarm system.
  - Arc lights.
  - Asbestos covering for boilers and pipes.
  - Asphalt.
  - Awnings.
  - Baggage rooms.
  - Bars and window.
  - Bins for material.
  - Blacksmith shops.
  - Boiler foundations.
  - Boiler rooms.
  - Boilers.
  - Boiler shops.
  - Boiler tubes.
  - Booths, telephone.
  - Bracing.
  - Breakwaters for protection of structures.
  - Buildings.
  - Bulkheads.
  - Canopies.
  - Carpenter shops.
  - Chutes.
  - Cisterns.
  - Coaling trestles.
  - Cofferdams.
  - Cord, window sash.
  - Counters.
  - Cross ties.
  - Docks.
  - Doors.
  - Door stops.
  - Drainage and sewage systems.
  - Drinking fountains.
  - Driveways.
  - Dynamos.
  - Eating rooms.
  - Electric light plants.
  - Electric wiring.
  - Elevators and machinery.
  - Express on repair material.
  - Faucets.
  - Fences.
  - Fenders, dock.
  - Fire buckets.
  - Fire houses.
  - Fire escapes.
  - Fire lines.
  - Fire sprinkler lines.
  - Floors.
  - Foundations.
  - Foundries.
  - Freight charges on repair material.
  - Freight cranes and derricks attached to buildings.
  - Freight house.
  - Fuel stations.
  - Garage buildings.
  - Gates.

General office buildings.  
 Grain elevators.  
 Grain warehouses.  
 Greenhouses.  
 Heating plants.  
 Hedges.  
 Hoisting engines for handling freight.  
 Hosehouses.  
 Hydrants.  
 Icehouses.  
 Lighting plants.  
 Lumber sheds.  
 Machine shops.  
 Office buildings.  
 Paint shops.  
 Pavement within grounds.  
 Paint and painting.  
 Partitions.  
 Piers.  
 Piling.  
 Pipe lines, interior.  
 Plumbing.  
 Power plants.  
 Pumping stations.  
 Railings.  
 Radiators.  
 Ramps.  
 Refrigeration plants.  
 Roofing.  
 Screens, window and door.  
 Shelving.  
 Shops.  
 Sidewalks.  
 Sprinkler systems.  
 Stables.  
 Stairs.  
 Steam and hot water distributing system.  
 Storehouses.  
 Skylights.  
 Toilets.  
 Tracks.  
 Vaults.  
 Ventilators.  
 Waiting rooms.  
 Wash bowls.  
 Wash rooms.  
 Watchhouses.  
 Water meters.  
 Water-supply systems.  
 Wharves.  
 Windows.  
 Window shades.

NOTE A: The cost of repairs of movable equipment of fixed structures shall be included in account 405, "Repairs of office and other terminal equipment."

NOTE B: The cost of repairs resulting from casualties shall be charged to account 170, "Claims pending," when covered by insurance. Any part of such cost not recoverable from underwriters or chargeable to insurance reserves shall be charged to this account.

§ 324.7-405 *Repairs of office and terminal equipment.* This account shall include the cost of material and repair parts used and labor expended in repairing all movable equipment of building and other fixed terminal structures.

#### SHOP EQUIPMENT

Acetylene cutting and welding machines.  
 Anvils.  
 Assorted dies and blocks.  
 Belting.  
 Bench vises.  
 Blue printing machines.  
 Bolt cutter.  
 Boring bar.  
 Boring brasses.  
 Burning torches.  
 Cages.  
 Cast iron face plate.  
 Chain blocks.  
 Charging boards.  
 Chisels.  
 Compressed-air equipment.  
 Crosscut circular saw.  
 Die stock ratchet.  
 Drill press.



Drills.  
Electric drills.  
Emery grinder.  
Forges.  
Furnaces.  
Hydraulic jacks.  
Iron horse.  
Lathe.  
Magnetos.  
Motors.  
Mould filling brasses.  
Paint burners.  
Paint spraying machine.  
Pipe cutter.  
Photostatic machine.  
Portable boring bars.  
Portable electric grinder.  
Power machine.  
Power saw.  
Propeller fan.  
Punch and shears.  
Reamers.  
Riveters' hammers.  
Saws.  
Scales.  
Scaling hammers.  
Sewing machines.  
Shapers.  
Sledges.  
Stamping tools.  
Stationary engine.  
Steam hammer.  
Steam-test pump.  
Stencil machine.  
Stillson wrenches.  
Swedges.  
Taper shanks.  
Tools.  
Torches.  
Tube expanders.  
Twist drills.  
Twist drill and tool grinder.  
Ventilating set.  
Vises.  
Wire cutters.  
Wrenches.

## OFFICE EQUIPMENT

Adding machines.  
Addressing machines.  
Billing and bookkeeping machines.  
Blackboards.  
Blueprinting machines.  
Book cases.  
Brief cases.  
Cabinets.  
Calculating machines.  
Cameras.  
Carpets.  
Chairs.  
Check protectors.  
Clocks.  
Comptometer machines.  
Costumers.  
Counters.  
Desks.  
Dictaphones.  
Display racks.  
Drafting and engineering instruments.  
Duplicating machines.  
Filing cabinets.  
Fire extinguishers.  
Floor covering.  
Floor scrubbing and polishing equipment.  
Guns.  
Lamps.  
Linoleum.  
Lockers.  
Mailing machines.  
Mimeograph machines.  
Numbering machines.  
Pictures.  
Polishing machines.  
Printing press and printing equipment.  
Refrigerators.  
Rugs and floor coverings.  
Safes.  
Scales.  
Settees.  
Shelving, portable.  
Stools.

Stoves.  
Tables.  
Typewriters.  
Vacuum cleaners.  
Vending machines.

## WHARF EQUIPMENT

Airplane platforms.  
Batteries.  
Bumpers.  
Canvas covers.  
Canvas slings.  
Cargo blocks.  
Cargo chutes.  
Cargo hooks.  
Cargo rollers.  
Chains.  
Chain slings.  
Coal buckets.  
Conveyors and belts, castors and rollers.  
Cranes, movable.  
Crow bars.  
Derricks, movable.  
Drum holsters.  
Electric truck, warehouse.  
Escalators and castors, chains, and gears.  
Fire barrels.  
Fire buckets.  
Fire hose.  
Freight-handling equipment.  
Gangplanks.  
Gangways.  
Gas tanks.  
Hand trucks.  
Hardware.  
Lawn mowers.  
Lift jacks.  
Motor trucks, warehouse.  
Mechanical parts for wharf equipment.  
Paper slings.  
Platforms.  
Platform scales.  
Platform trays.  
Platforms, truck.  
Pontoons.  
Racks.  
Rope.  
Rope slings.  
Scales, dock.  
Seats.  
Skids.  
Tarpaulins.  
Tents, canvas.  
Tools, miscellaneous.  
Tractors, warehouse.  
Trailers, warehouse.  
Trucks and truck bodies, warehouse.  
Ventilator and heaters.  
Wharf fenders.  
Wheels.  
Wire falls.  
Wire-rope slings.

## GARAGE EQUIPMENT

Air compressors and tanks.  
Anvils.  
Arbor presses.  
Battery-charging outfits.  
Belts, shafts, and countershafts.  
Boring and reaming machines.  
Car washing machines.  
Cranes and hoists (portable).  
Crawlers.  
Drill presses.  
Electric equipment.  
Engines and boilers.  
Forges.  
Gasoline, oil pumps, and portable tanks.  
Greasing racks and pumps.  
Grinders.  
Jacks.  
Lathes.  
Lockers.  
Machine tools.  
Motor-driven hand tools.  
Oil reclaiming machines.  
Paint sprayers.  
Pneumatic tools.  
Storage bins and shelves (portable).  
Storeroom equipment, except office.  
Stoves.

Testing equipment.  
Tire-changing equipment.  
Tool racks.  
Vises.  
Vulcanizing equipment.  
Weighing devices.  
Welding apparatus.  
Wheel pullers.  
Work benches.

§ 324.7-406 *Repairs of highway equipment.* This account shall include the cost of labor, material, and other expenses incurred in the maintenance of highway vehicle and service equipment used in motor operations subject to parts I and III of the Interstate Commerce Act:

## HIGHWAY EQUIPMENT

Automobiles.  
Buses.  
Carts.  
Harnesses.  
Horses and mules.  
Lift vans.  
Tractors, trailers, and semitrailers.  
Trucks.  
Wagons.

NOTE: The cost of repairing motor highway equipment subject to part II of the Interstate Commerce Act is chargeable to account 491, "Motor-carrier expenses."

§ 324.7-407 *Shop expenses.* This account shall include the cost of labor, material, and other expenses incurred in the operation of machine shops at which mechanical work is done.

## ITEMS OF EXPENSE

Cleaning shops and yards.  
Fuel, lubricants, etc.  
Heat, light, and power.  
Ice used in shops.  
Portable hand tools of short life.  
Supplies used in shops.

NOTE: When work done is chargeable to others, the expenses of operating the shop shall be included in a suspense account and only the carrier's proportion shall be cleared to this account.

§ 324.7-408 *Other maintenance expenses.* This account shall include all expenses incident to the maintenance of property used in transportation service for which no other account is provided.

## DEPRECIATION AND AMORTIZATION

§ 324.7-411 *Depreciation; transportation property.* This account shall include the amount of depreciation charges applicable to the accounting period for all depreciable transportation property currently operated in the service of the carrier.

§ 324.7-412 *Depreciation adjustment.* This account shall include the difference between the amount of depreciation accrued and credited to account 149, "Depreciation reserve—Transportation property," with respect to any unit or item of depreciable property accounted for as retired from service, and the service value of such unit or item. It shall also include insurance recoverable up to an amount not exceeding the book cost.

§ 324.7-413 *Amortization of investment; leased property.* (a) This account shall include the amount of amortization charges applicable to the accounting period relating to the carrier's investment in improvements on leased property.



(b) The amortization charges shall be computed to distribute as nearly as practicable the book cost of such investments in equal annual charges over the period of their useful life in the service of the carrier.

§ 324.7-414 *Amortization of defense projects.* This account shall include the amount of amortization charges accrued during the accounting period for transportation property with respect to which the carrier has elected to observe amortization accounting for income tax purposes under section 124, "Amortization Deduction," of the Internal Revenue Code. The charges so included shall be in conformity with the allowances acceptable to the Bureau of Internal Revenue under the regulations prescribed by it.

NOTE A: When under the terms of a lease the lessee is liable to the lessor for the amortization charges applicable to defense projects, the amortization charges shall be included in the operating expense accounts of the lessee and the reserve shall be maintained in the accounts of the lessor.

NOTE B: Property subject to amortization accounting with charges to this account is exempt from the accrual of depreciation or amortization under the accounting regulations otherwise applicable.

#### TRANSPORTATION OF EXPENSES

##### Line Service

§ 324.7-421 *Supervision.* This account shall include the pay of department heads and their assistants in charge of or engaged in the operation of vessels in line service, including the pay of clerks and attendants and office and other expenses of employees whose pay is chargeable to this account.

#### ITEMS OF EXPENSE AND SUPPLIES

Auto service.  
Books.  
Directories.  
Express charges.  
Heat.  
Ice.  
Light.  
Maps.  
Membership in associations.  
Newspapers.  
Painting signs on office doors.  
Periodicals.  
Photographs.  
Supplies for cleaning.  
Supplies for office.  
Stationery and printing.  
Telegraph and telephone.  
Traveling expenses.  
Wireless service.

NOTE: When department heads have direct supervision over other operating departments, their pay and expenses, and the pay and expenses of their employees, shall be apportioned equitably among the departments over which they have supervision.

§ 324.7-422 *Wages of crews.* (a) This account shall include the wages of crews of vessels engaged in line service.

(b) *Deck department.* The pay of captains and all other employees of the deck department.

#### LIST OF EMPLOYEES

Boatswains.  
Captains.  
Carpenters.  
Chief officers.  
Deck hands.  
Mates.  
Pilots.

Portmen.  
Quartermasters.  
Sailors.  
Seamen.  
Watchmen, deck, cargo, and saloon.  
Wireless telegraph operators.

(c) *Engineers' department.* The pay of chief engineers and all other employees of the engineers' department.

#### LIST OF EMPLOYEES

Assistant engineers.  
Chief engineers.  
Coal passers.  
Electricians.  
Firemen.  
Oilers.  
Plumbers.  
Watertenders.  
Wipers.

(d) *Stewards' department.* The pay of pursers and all other employees of the stewards' department.

#### LIST OF EMPLOYEES

Bakers.  
Barbers.  
Bellboys.  
Butchers.  
Cashiers.  
Chefs.  
Cooks.  
Cruise directors.  
Dishwashers.  
Doctors.  
Entertainers.  
Food checkers.  
Hostesses.  
Messboys.  
Messmen.  
Musicians.  
Nurses.  
Pantrymen.  
Porters.  
Printers.  
Pursers.  
Scullions.  
Stewardesses.  
Stewards.  
Storekeepers.  
Telephone operators.  
Waiters.

NOTE: When vessels are laid up in inactive service, the pay of the crews while engaged in repair work shall be charged to the appropriate accounts for repairs. If not engaged in repair work, the pay of the crews shall be charged to account 433, "Lay-up expenses."

§ 324.7-423 *Fuel.* This account shall include the cost of coal (including trimming when purchased f. o. b. lighters), oil, wood, and other fuel used for generating power, heat, and light on vessels in line service. This account shall also include the cost of analyzing or testing the quality of ships' fuel.

NOTE: When vessels are laid up in inactive service, the cost of fuel consumed during such period shall be charged to account 433, "Lay-up expenses."

§ 324.7-424 *Lubricants and water.* This account shall include the cost of oil, grease, tallow, graphite, and other lubricants; also of water and cost of analyzing and treating water for boilers of vessels in line service.

NOTE: When vessels are laid up in inactive service, the cost of lubricants and water used during such period shall be charged to account 433, "Lay-up expenses."

§ 324.7-425 *Food supplies.* This account shall include the cost of food furnished to the stewards' department of vessels in line service and consumed by

officers, crew, and passengers, including cost of delivery on board and inspection.

#### LIST OF SUPPLIES

Bread.  
Butter.  
Cakes.  
Cereals.  
Cheese.  
Coffee.  
Condiments.  
Crackers.  
Cream.  
Dry provisions.  
Eggs.  
Extracts.  
Fish, fresh, salted and canned, shell, and frozen.  
Flour.  
Fruits, fresh, preserve, and dry.  
Groceries.  
Honey.  
Ice cream.  
Ices.  
Jams.  
Jellies.  
Juices, fruit, berry, and vegetable.  
Milk.  
Molasses.  
Meats, fresh, salted, and prepared.  
Nuts.  
Olives.  
Pickles.  
Poultry.  
Preserves.  
Relishes.  
Rolls.  
Salt.  
Sauces.  
Sugar.  
Spices.  
Tea.  
Vegetables, fresh, and canned.  
Yeast products.

NOTE A: Food, such as fruit, ice cream, ices, etc., sold as buffet supplies shall be charged to account 427, "Buffet supplies."

NOTE B: When vessels are laid up in inactive service, the food consumed during such period shall be charged to account 433, "Lay-up expenses."

§ 324.7-426 *Stores, supplies, and equipment.* This account shall include the cost of stores, supplies, and equipment used by the deck department, the engineers' department, and the stewards' department of vessels in line service.

#### DECK AND ENGINEERS' DEPARTMENT

Acids.  
Alcohol.  
Ammonia.  
Antiseptics.  
Asbestos.  
Ash bags.  
Asphalt.  
Atomizers.  
Axes.  
Babbitt metal.  
Badges.  
Barometer charts.  
Batteries.  
Beeswax.  
Bits.  
Blocks.  
Boiler compound.  
Bolts.  
Borer.  
Braces.  
Brass sheet.  
Bricks.  
Brooms and brushes.  
Buckets.  
Bulbs, electric light.  
Burlap.  
Buttons for uniforms.  
Calipers.  
Can, squirt.  
Candles.  
Cans oil.



Canvas.  
Caps.  
Carbonic acid gas.  
Carbons, searchlight.  
Cement.  
Chalk.  
Charts.  
Cheesecloth.  
Chemicals.  
Chisels.  
Clamps.  
Coal bags.  
Colls.  
Cost of delivery on board of stores.  
Couplings, hose and pipe.  
Cups, oil and grease.  
Curled hair.  
Dies.  
Disinfectants.  
Drayage on stores.  
Drills.  
Drinking cups.  
Dry cells.  
Drugs and medicines.  
Dusters.  
Dustpans.  
Elbows.  
Electric plugs.  
Emery.  
Emery cloth.  
Epaulets.  
Extinguishers, fire.  
Falls.  
Files.  
Filter sheets.  
Fire clay.  
Fire extinguishing supplies.  
First-aid kits.  
Flags.  
Flashlights.  
Freight or express charges on stores.  
Funnels.  
Fuses.  
Gaskets.  
Gasoline.  
Gauze, wire.  
Glass, ground.  
Globes.  
Glue.  
Glycerine.  
Grummets.  
Halyards, signal.  
Hammers.  
Hand tools.  
Hatchets.  
Hinges.  
Hooks.  
Hooks, boat.  
Hose, water, steam, and metallic.  
Hydrometers.  
Ice.  
Kerosene.  
Lampblack.  
Lamp burners.  
Lamp chimneys.  
Lamp guards.  
Lamp oil.  
Lamp wicks.  
Lantern globes.  
Lead, red.  
Lead, white.  
Line.  
Linseed oil.  
Lumber for dunnage.  
Mail bags.  
Maps.  
Marline.  
Marline spikes.  
Master's permit.  
Matches.  
Medical and surgical supplies.  
Medicine.  
Metal polish.  
Mop wringer pails.  
Mops.  
Nails.  
Nipples.  
Nozzles, hose.  
Nuts.  
Oil.  
Oxalic acid.

Packing.  
Padlocks.  
Pails.  
Paint.  
Paint remover.  
Paper cups.  
Paste, polishing.  
Pennants.  
Plugs, fusible.  
Plugs, pipe.  
Polish, metal and other.  
Potash.  
Powder, soap.  
Pumice stone.  
Putty.  
Rags.  
Rat traps.  
Rivets.  
Rockets.  
Rope.  
Sail needles.  
Sand.  
Sandpaper.  
Sawdust.  
Saws.  
Screw drivers.  
Screws.  
Sheet rubber.  
Shellac.  
Shovels.  
Signal oil.  
Small tools.  
Soap.  
Soda ash.  
Solder.  
Soldering supplies.  
Sponges.  
Springs.  
Staples.  
Stoppers.  
Tacks.  
Tallow.  
Tape.  
Tar.  
Telephone charges.  
Thermometers.  
Tin, sheets of.  
Tobacco cloth.  
Torches, blow.  
Trowels.  
Turpentine.  
Twine.  
Uniforms.  
Valves.  
Varnish.  
Washers.  
Waste.  
Wicks.  
Wire.  
Wrenches.  
Zinc, white.

## STEWARDS' DEPARTMENT

Aprons, coats, caps, uniforms for employees.  
Badges, waiters.  
Bed sheets.  
Bedding.  
Blankets.  
Books for library.  
Bowls.  
Chinaware.  
Cooking utensils.  
Counterpanes.  
Covers, pillow and mattress.  
Crew eating gear.  
Crockery.  
Dishes.  
Drinking cups, paper.  
Epaulets.  
Floral or other decorations.  
Fresh water for drinking.  
Freight or express charges on stores.  
Fuel for cooking.  
Galley fuel.  
Glassware.  
Ice.  
Kettles.  
Kitchen utensils.  
Linen.  
Matches.  
Mattresses.

Mattress covers.  
Menu.  
Musical instruments.  
Music rolls.  
Napkins.  
Neckties.  
Nut crackers.  
Pans.  
Paper cups, napkins, and towels.  
Phonograph records.  
Pillows and pillow cases.  
Pots.  
Radio tubes, batteries, and parts (for passenger entertainment).  
Sheets.  
Sheet music.  
Silverware.  
Slips, pillow.  
Soap.  
Stationery and post cards for passenger use.  
Suits.  
Tableware.  
Tablecloths.  
Toilet paper.  
Toothpicks.  
Towels and towelings.

NOTE: When vessels are laid up in inactive service, the cost of stores, supplies, and equipment consumed during such period shall be charged to account 433, "Lay-up expenses."

§ 324.7-427 *Buffet supplies.* This account shall include the cost of buffet supplies for vessels in line service.

## LIST OF BUFFET SUPPLIES

Alcoholic beverages.  
Candy.  
Carbonic acid gas.  
Cigarettes.  
Cigars.  
Fruit.  
Ice cream.  
Mineral water.  
Periodicals.  
Post cards.  
Souvenirs.  
Tobacco.

§ 324.7-428 *Other vessel expenses.* This account shall include expenses incurred incident to the operation of vessels in line service and not properly chargeable to other accounts.

## ITEMS OF EXPENSE

Ashes, removal of.  
Ballast expense.  
Board and room allowance for crew on shore.  
Canal tolls.  
Capacity plans.  
Carrier's proportion of expenses incurred in operating pools for the purpose of equalizing revenues.  
Chronometers, rating.  
Compass, adjusting.  
Crew, transportation and cost of securing.  
Emblems.  
Fresh water.  
Garbage service.  
Inventory expense.  
Launch hire.  
Lights furnished from shore.  
Masters, expenses of.  
Medical examinations of ship personnel.  
Payroll expense.  
Pianos, tuning.  
Postage and petties.  
Rental of motion picture reels.  
Rental of radio equipment.  
Rental of submarine signal apparatus.  
Seaworthy certificate.  
Stationery and printing.  
Steam furnished.  
Taxi hire.

NOTE: When vessels are laid up in inactive service, such expenses shall be charged to account 433, "Lay-up expenses."



§ 324.7-429 *Outside towing expenses.* This account shall include amounts paid to others for towing services performed for the carrier by line vessels of others not under charter.

§ 324.7-430 *Wharfage and dockage.* This account shall include expenditures for the privilege of using docks, wharves, piers, trestles, or floats belonging to others, for loading and discharging cargo, and for mooring vessels in line service.

This account may be subdivided in order to allocate wharfage and dockage expenses between those incurred for boats and those incurred for barges.

NOTE A: Tollage charge assessed on cargo on a per ton basis for the privilege of handling freight over docks is chargeable to account 443, "Stevedoring."

NOTE B: When vessels are laid up in inactive service, the expenditures for wharfage and dockage incurred by such vessels during such period shall be charged to account 433, "Lay-up expenses."

§ 324.7-431 *Port expenses.* This account shall include expenses and charges incident to port service of vessels in line service.

#### LIST OF CHARGES

Anchorage dues.  
Bridges, opening.  
Brokerage, customs.  
Buoy hire.  
Cargo dues.  
Certificates, loading and discharging.  
Chamber of Commerce dues.  
Clearance dues and fees.  
Consular fees and tonnage charges.  
Customhouse dues.  
Customs house, overtime.  
Entry dues and fees.  
Fumigation.  
Handling lines.  
Harbor dues.  
Health office dues and fees.  
Lighthouse dues.  
Mooring and unmooring.  
Packet privileges.  
Permit for loading and discharging.  
Pilotage.  
Port dues and taxes.  
Quarantine expenses.  
Running lines.  
Sanitary dues.  
Shifting vessels.  
Stamp for manifests.  
Stamp tax and stamp paper.  
Tonnage dues.  
Towage.  
Tug operation or hire.  
Watching vessel.

NOTE: When vessels are laid up in inactive service, the expenses incident to port service shall be charged to account 433, "Lay-up expenses."

§ 324.7-432 *Agency fees and commissions.* This account shall include amounts payable as fees, commissions, and brokerage to outside agents as sub-agents appointed to look after the carrier's operations and who are compensated on the basis of an allowance or charge for agency or attendance fee.

NOTE: The agency fees paid agents engaged exclusively in canvassing and soliciting traffic shall be included in account 457, "Outside traffic agencies."

§ 324.7-433 *Lay-up expenses.* This account shall include the pay of crews while not engaged in repairs of vessels

which are laid up in inactive service, including the cost of fuel, food, stores, supplies, and equipment; port expenses, wharfage, dockage, and other expenses.

NOTE A: When vessels are laid up in inactive service undergoing repairs, the pay of crews while actually engaged in making repairs shall be charged to the repair account.

NOTE B: Expenses of vessels in an inactive status, for a limited number of days or awaiting cargo, etc., shall be charged to appropriate line-service accounts.

#### Terminal Service

§ 324.7-441 *Supervision.* This account shall include the pay of department heads and their assistants in charge of or engaged in the operation of terminals, and their clerks and attendants, including office and other expenses of employees whose pay is chargeable to this account.

#### ITEMS OF EXPENSE AND SUPPLIES

Books.  
Business-auto service.  
Directories.  
Express charges.  
Fees and dues in associations having a direct or immediate relation to the operation of equipment in terminal service.  
Heat.  
Ice.  
Light.  
Maps.  
Membership in associations.  
Newspapers.  
Periodicals.  
Photographs.  
Supplies for cleaning.  
Telegraph and telephone.  
Traveling expenses.  
Wireless service.

NOTE: Where department heads have direct supervision over other operating departments, their pay and expenses and the pay of their employees shall be apportioned equitably among the department over which they have supervision.

§ 324.7-442 *Agents.* This account shall include the pay of agents, clerks and attendants and other agency employees, and the office and other expenses of those engaged in operating stations, wharves, and docks.

#### OFFICE EMPLOYEES

Accountants.  
Agents.  
Assistant agents.  
Baggage men.  
Bookkeepers.  
Cashiers.  
Charwomen.  
Clerks.  
Collectors.  
Comptometer operators.  
Messengers.  
Porters.  
Stenographers.  
Telephone operators.  
Tellers.  
Ticket agents.  
Typists.

#### WHARF EMPLOYEES

(When not chargeable to account 443, "Stevedoring.")

Cleaners.  
Clerks.  
Gatemen.  
Roundsmen.  
Timekeepers.  
Warehouse foremen.  
Watchmen.

#### ITEMS OF EXPENSE AND SUPPLIES

Advertising for help.  
Books.  
Brooms and brushes.  
Business-auto service.  
Changing combination of safes.  
Cleaning offices.  
Cleaning supplies.  
Directories.  
Express charges.  
Heat.  
Ice.  
Light.  
Licenses of ticket agents.  
Maps.  
Membership in associations.  
Messenger service.  
Newspapers and periodicals.  
Office supplies.  
Polish.  
Telephone and telegraph.  
Traveling expenses.  
Uniforms for employees.  
Weighing and inspection bureaus.

§ 324.7-443 *Stevedoring.* This account shall include the following:

(a) The pay of stevedores, foremen, and longshoremen, engaged in:

1. Loading, stowing, or unloading cargoes of vessels.
2. Breaking down piles on docks and loading trucks for trucking to vessels.
3. Breaking down cargoes in vessels and loading trucks for discharging cargoes.
4. Loading and discharging baggage, express, and mail.
5. Trucking from dock, lighters or cars to vessels or from vessels to dock, lighters, or cars.
6. Rigging and unrigging gear.
7. Operating escalators or conveyors.
8. Opening holds, placing skids and nets.
9. Closing holds, taking in skids, nets, etc.
10. Piling or trucking cargo discharged from vessels.
11. Winchmen, switchmen, and routers.
12. Installation of cargo battens, cargo trimmers, cattle fittings, grain fittings, shifting boards and dunnage, and heading cotton.
13. Loading and discharging lighters direct to and from vessels.

(b) The pay of laborers and clerks engaged in:

1. Receiving, delivering, checking, tallying, measuring, and weighing cargo.
2. Stenciling and marking cargo.
3. Coopering cargo.
4. Sorting cargo.
5. Tying cargo received for shipment and high piling of discharged cargo.
6. Loading and unloading and sealing freight cars when performed by carrier.
7. Cleaning holds and tanks for reception of cargo.
8. Shifting cargo on docks and watching cargo.
9. Tollage charges assessed on cargo on a per ton basis for the privilege of handling freight over docks.

(c) Hire of cranes, derricks, stevedore gear and equipment, including cargo slings, hatch bridges, save-alls, tarpaulins, hatch tents, and heavy lift charges.

(d) Transportation, traveling time, and feeding of stevedores and longshoremen; demurrage on lighters awaiting cargoes or transfers; landing charges and collections; and shifting barges and lighters at terminals.

(e) Inspection of fruit, vegetables, cotton, grain, etc.

(f) Barrel hoops, staves, heads, and metal strips; cooperage supplies and material, crayon and chalk for marking;



lumber for cooping; material for packing and tagging freight; hardware, sawdust, burlap, and shaving; and seals for cars.

(g) Cost of gasoline and other fuel used in operating wharf equipment.

(h) This account shall also include amounts paid to others covering the cost of labor, material, and hire of equipment in the checking, receiving, loading, and unloading of vessels including Federal old-age pensions and unemployment compensation taxes. Such expense paid to others shall be kept in a separate sub-account from amounts expended by the carrier for labor and supplies.

§ 324.7-444 *Precooling and cold-storage operations.* This account shall include all expenses in connection with the operation of plants for precooling and cold storage of freight shipments. It shall include the pay and expenses of engineers, mechanics, and other employees, and the cost of fuel, lubricants, electric power, salt, and other supplies consumed in the operation of the plants.

§ 324.7-445 *Light, heat, power, and water.* This account shall include the expenses of light, heat, power, and water used in operations, except as otherwise provided for, whether produced by the carrier or purchased from others.

§ 324.7-446 *Stationery and printing.* This account shall include the cost of all stationery, stationery supplies, printing, books, and blank forms used in connection with the operation of terminals, including capacity plans, cargo plans, stowage plans, waybills, tickets, baggage checks, bills of lading, etc.

For list of items see account 466, "Stationery and printing."

§ 324.7-447 *Tug operations.* This account shall include all expenses in connection with the operation of tugs employed in transfer service, including expenses in connection with the operation of lighters and other similar floating equipment employed in such service and engaged in handling, loading, transporting and discharging lightered cargo when not incurred in connection with line service operations.

NOTE: When tug operations are incurred in connection with line service operations, they shall be charged to account 431, "Port expenses."

§ 324.7-448 *Operation of highway vehicles.* This account shall include expenses incurred in the operation of highway vehicles in connection with the transportation of passengers, freight, express, or mail in connection with handling cargo or passengers in loading and unloading vessels.

#### ITEMS OF EXPENSE

Bridge and tunnel charges.  
Ferriage.  
Fuel.  
Garage supplies and expenses.  
Gasoline.  
Labor cleaning and preparing equipment for service.  
Loading or unloading vehicles.  
Lubricants.  
Medicine.  
Pay of operators and helpers, including the time held for duty.  
Water and other supplies.

NOTE: Operating expenses incurred by the carrier in transporting passengers, freight, express, and mail by highway vehicles operated in addition to or in lieu of performing line service by vessels shall be included in account 491, "Motor-carrier expenses."

§ 324.7-449 *Local transfers.* This account shall include amounts expended for transfer service in connection with the transportation of passengers, freight, express, or mail by others when such payments are not includible in account 301, "Freight revenue."

§ 324.7-450 *Other terminal operations.* This account shall include all expenses incident to operation of terminal for which no other account is provided.

#### CASUALTIES

§ 324.7-451 *Supervision.* This account shall include the pay of departmental heads and their employees in charge of or engaged in the supervision, adjustment, or investigation of claims for loss and damage, damage to property, and injuries to persons; also the office, traveling and other expenses of the employees whose pay is includible in this account.

#### ITEMS OF EXPENSE

Books.  
Business-auto service.  
Clearing supplies.  
Directories.  
Heat.  
Ice.  
Light.  
Maps.  
Newspapers.  
Periodicals.  
Stationery and printing.  
Telegraph and telephone.  
Traveling expenses.  
Water.

§ 324.7-452 *Loss and damage; freight.* (a) This account shall include amounts payable for loss, damage, delay, or destruction of freight shipments (including company material) not recoverable through insurance or from other carriers. It shall also include uncollectible freight charges payable on lost, damaged, or refused shipments, the pay and expenses of adjusters of freight claims and persons engaged in detecting thieves; also witnesses in lawsuits, amounts assessed in general average adjustments, and cost of repacking and boxing damaged freight.

(b) This account shall be credited with net amount receivable from the sale of refused, unclaimed, and damaged freight.

(c) This account may be charged monthly with an amount estimated to be sufficient to meet the probable liability for freight claims with concurrent credit to account 223, "Other reserves," which latter account shall be cleared when liability is admitted.

NOTE A: Legal expenses of conducting suits shall be charged to account 463, "Law expenses," but final judgments and plaintiff's court costs shall be charged to this account.

NOTE B: Interest for delay in payment of loss and damage freight claims shall be included in account 529, "Interest on unfunded debt."

§ 324.7-453 *Loss and damage; baggage.* (a) This account shall include amounts payable for loss, damage, de-

lays, or destruction of baggage and other personal property when not recoverable through insurance or from other carriers; also pay and expenses of adjusters of baggage claims or while engaged as witnesses in lawsuits.

(b) This account shall be credited with the net amount received from the sale of unclaimed or damaged baggage.

§ 324.7-454 *Damage to property.* This account shall include amounts payable for damage to or destruction of property owned by other persons or companies and not recoverable through insurance, but excepting freight and baggage entrusted to the company for transportation. It shall also include the pay and expenses of adjusters of such claims and witnesses in lawsuits.

NOTE A: Legal expenses of conducting suits shall be charged to account 463, "Law expenses," but final judgment and plaintiff's court costs shall be charged to this account.

NOTE B: Interest for delays in payment of damage to property claims shall be included in account 529, "Interest on unfunded debt."

§ 324.7-455 *Injuries to persons.* (a) This account shall include payments and expenses connected with injuries or death of persons which occur in connection with transportation service and are not recoverable through insurance.

(b) It shall include expenses on account of injuries to employees, pay and expenses of adjuster, consultants, and witnesses in connection with personal injury claims; also donations to hospitals and payments to physicians, surgeons, and nurses attending injured persons.

(c) This account may be charged monthly with an amount estimated to be sufficient to meet the probable liability for personal injury claims with concurrent credit to account 223, "Other reserves," which latter account shall be cleared when liability is admitted.

#### ITEMS OF EXPENSE

Ambulance service.  
Artificial limbs and crutches.  
Drugs.  
Funeral expenses.  
Medical and surgical fees and supplies.  
Notarial fees.  
Opticians' fees.  
Photographs.  
Undertaker's services and supplies.  
Wheel chairs.  
X-rays.

NOTE A: Legal expenses of conducting suits shall be charged to account 463, "Law expenses," but final judgment and plaintiff's court costs shall be charged to this account.

NOTE B: Interest for delays in payment of injuries to persons shall be included in account 529, "Interest on unfunded debt."

#### TRAFFIC EXPENSES

§ 324.7-456 *Supervision.* This account shall include the pay of department heads and their employees in charge of or engaged in supervising the soliciting and advertising of traffic; also the office, traveling, and other expenses of employees whose pay is includible in this account.

#### ITEMS OF EXPENSE AND SUPPLIES

Books.  
Business-auto service.  
Cleaning supplies.  
Directories.  
Heat.  
Ice.



Light.  
Maps.  
Newspapers.  
Periodicals.  
Stationery and printing.  
Telegraph and telephone.  
Traveling expenses.

NOTE A: The pay and expenses of commercial, city, district, and other agents, their clerks, and attendants engaged exclusively in canvassing and soliciting traffic shall be charged to account 457, "Outside traffic agencies."

NOTE B: When department heads have direct supervision over other operating departments, their pay and expenses, and the pay and expenses of their employees shall be apportioned equitably among the departments over which they have supervision.

§ 324.7-457 *Outside traffic agencies.* This account shall include the pay of commercial, city, district, and other agents engaged exclusively in canvassing and soliciting traffic; employees of their offices, traveling solicitors; and the cost of supplies, office, traveling, and other expenses of employees whose pay is included in this account.

Commissions paid to tourist agents and other companies for securing passengers, commissions and brokerage paid others for securing freight traffic, and fees paid outside agents engaged exclusively in canvassing and soliciting traffic shall also be included in this account.

§ 324.7-458 *Advertising.* This account shall include the pay and expenses of employees in connection with advertising for the purpose of increasing traffic, including expenses incurred in the preparation, printing, and distribution of advertising matter.

This account shall also include commissions paid outside advertising agents or firms.

NOTE: Amounts received from the sale of advertising space in timetable folders, shall be credited to account 334, "Miscellaneous operating revenue."

§ 324.7-459 *Other traffic expenses.* This account shall include expenses in connection with securing traffic not properly chargeable to other traffic accounts, including the cost of printing freight and passenger tariffs, classifications, and division sheets.

#### GENERAL EXPENSES

§ 324.7-461 *General officers and clerks.* This account shall include the pay of general officers not otherwise provided for and their assistants, clerks and attendants, including salaries and fees of receivers and traveling and other expenses of such employees.

#### LIST OF OFFICERS

Auditor.  
Auditor of Disbursements.  
Auditor of Revenue.  
Chairman of the Board.  
Comptroller.  
Executive Committee.  
General Accountant.  
General Auditor.  
General Manager.  
Local Treasurer.  
President.  
Purchasing Agent.  
Receiver.  
Secretary.  
Transfer Agent.  
Treasurer.  
Vice-president.

#### LIST OF EMPLOYEES

Accountants.  
Bookkeepers.  
Cashiers.  
Charwomen.  
Chief accountants.  
Cleaners.  
Clerks.  
Comptometer operators.  
Elevator operators.  
Janitors.  
Key-punch operators.  
Machine operators.  
Messengers.  
Paymasters.  
Porters.  
Secretaries of officers.  
Statisticians.  
Stenographers.  
Telephone operators.  
Traveling accountants.  
Traveling auditors.  
Typists.  
Watchmen.

§ 324.7-462 *General office supplies and expenses.* This account shall include the office expenses of general officers, their clerks, and attendants.

#### ITEMS OF EXPENSE AND SUPPLIES

Atlases.  
Books.  
Brushes.  
Brooms.  
Cable tolls.  
Changing combination on safes.  
Cleaning offices.  
Cloth towels.  
Directories.  
Express charges.  
Fee for transportation of cash.  
Heat.  
Laundering.  
Light.  
Local messenger service.  
Maps.  
Paper drinking cups and towels.  
Periodicals and newspapers.  
Radio service.  
Rent of general offices.  
Repairs of rented general offices.  
Reports of commercial standings.  
Safety deposit box rent.  
Tabulating machine rent.  
Telegraph service.  
Telephone service.  
Uniforms and caps for porters, janitors, and watchmen.  
Water.  
Watchman service.

§ 324.7-463 *Law expenses.* This account shall include the pay of officers in charge of the law department; of solicitors and attorneys, their clerks and attendants; and fees and retainers for services of attorneys not regular employees of the carrier; also office and traveling expenses of such officers and of their clerks; cost of lawbooks, printing briefs, legal forms, testimony and reports. It shall also include cost of suits and payments of special fees, notarial and witness fees not provided for in other accounts; fees paid arbitrators for settlement of disputed questions, and law and court expenses not provided for elsewhere.

#### OFFICERS AND EMPLOYEES

Attorney.  
Clerks.  
Counsel.  
General attorney.  
General counsel.  
General solicitor.  
Law agent.  
Law clerk.

Librarian.  
Office and staff forces.  
Patent attorney.  
Solicitor.  
Special counsel.  
Tax attorney.

#### ITEMS OF EXPENSE AND SUPPLIES

Agreements, briefs, contracts, legal forms, and reports, cost of preparing and printing.  
Arbitrator's services in settlement of disputed questions.  
Collecting revenue and other accounts, law expense in connection with.  
Cost of taking depositions.  
Cost of testimony.  
Cost of suits.  
Court bonds.  
Court expenses.  
Drawing and recording agreements.  
Fees and retainers of attorneys (not regular employees).  
Law books.  
Legal forms.  
Legal reports.  
Membership fees and dues in law associations.  
Notarial fees not provided for elsewhere.  
Office expenses.  
Special fees.  
Telegraph services.  
Telephone services.  
Witness fees not provided for elsewhere.

§ 324.7-464 *Management commissions.* This account shall include amounts payable as commissions and fees to other concerns acting for the carrier in supervising and managing its operations, in instances where the carrier does not maintain an operating organization.

NOTE: The customary agency fees, commissions, and brokerage paid general and subagents at outposts shall not be included in this account.

§ 324.7-465 *Pensions and relief—(a) Pensions.* This account shall include pensions or gratuities paid out of the carrier's funds to retired employees or the heirs of former employees and the expenses incurred solely in connection therewith.

(b) *Relief.* It shall include premiums on policies under which employees are insured, and they or their heirs are the beneficiaries, and also expenses incurred and amounts contributed toward funds or other provisions for the relief of employees.

NOTE: If, under a contractual pension plan which definitely established the payment of specific pensions to employees regularly retired for superannuation or disability, the carrier elects to set aside in an irrevocable trust fund each month amounts, determined through the application of equitable actuarial factors to the current payrolls, which, together with interest accruals thereon, will, as nearly as may be, meet its liabilities for the payment of pensions or for the purchase of annuities for employees upon their retirement, it shall concurrently charge to this account and credit to account 222, "Pension and welfare," amounts equal to those set aside in the trust fund. The carrier shall maintain a complete record of the actuarial computations through which the accrual each month of its pension liabilities is established.

Before adopting the accrual plan of accounting for pensions, the carrier shall inform the Commission of complete details of its pension plan, giving full statement of the facts which in its judgment establish an irrevocable contractual obligation for pension payments, together with actuarial formula under which it proposes to create its pension fund.



No charge to this account shall be made in anticipation of discretionary pension payments in the future.

§ 324.7-466 *Stationery and printing.* This account shall include the cost of stationery, office supplies, passes, printing, tabulating cards, books, and blank forms, including contracts, leases, and stationery and printing of the law department not provided for elsewhere, except cost of law books and the cost of printing briefs, legal forms, testimony and reports for the law department.

#### STATIONERY AND PRINTING ITEMS

Arm rests.  
Baskets, letter.  
Binders.  
Blank books.  
Blotters.  
Blueprint paper.  
Calendars.  
Carbon paper.  
Cardboard.  
Card, blank and printed.  
Circulars.  
Clips, paper.  
Computing tables.  
Copy (impression) books.  
Copying brushes.  
Copying cloths.  
Crayons.  
Cross-section books.  
Cross-section paper.  
Dating stamps and ribbons.  
Desk baskets.  
Desk trays.  
Drawing paper.  
Electrotypes.  
Envelopes.  
Erasers.  
Eyelet punches.  
Eyelets.  
Fasteners.  
Filing cases.  
Forms, blank and printed.  
Glue.  
Indexes.  
Ink.  
Inkstands.  
Invoice books.  
Lease blanks.  
Ledgers.  
Legal-cap paper.  
Letter paper.  
Letter presses.  
Manifold paper.  
Manifold pens.  
Mending tissue.  
Mucilage.  
Mucilage brushes.  
Notebooks.  
Note paper.  
Notice blanks.  
Oil paper.  
Order blanks.  
Pads, blank and ruled paper.  
Pad, ink.  
Paper.  
Paper baskets.  
Paper clips.  
Paper cutters.  
Paper fasteners.  
Paper files.  
Paperweights.  
Paper, writing.  
Pass forms.  
Paste.  
Pay checks.  
Pencil sharpeners.  
Pencils.  
Penholders.  
Penracks.  
Pens.  
Perforators.  
Pins.  
Postage.  
Profile books and paper.  
Punches.

Ribbons.  
Rubber bands.  
Rubber stamps.  
Rulers.  
Ruling pens.  
Scissors.  
Scrapbooks.  
Sealing wax.  
Seals.  
Shears.  
Shipping tags.  
Sponge cups.  
Sponges.  
Stamps, impression.  
Tablets, blank and printed.  
Tags, thumb.  
Tags.  
Tape.  
Telegraph blanks.  
Tickets, time.  
Tissue (impression) paper.  
Tracing cloth.  
Tracing paper.  
Twine.  
Typewriter ribbons.  
Wage tables.  
Wastebaskets.  
Water colors.  
Wrapping paper.  
Wringers, copying press.

NOTE: The cost of dictionaries, periodicals, and technical books shall be charged to the appropriate supervision account. The cost of law books, etc., shall be charged to account 463, "Law expenses."

§ 324.7-467 *Other expenses.* This account shall include expenses of a general nature not properly chargeable to other general accounts.

#### ITEMS OF EXPENSE

Annual audits or investigations.  
Annual reports, printing and publishing.  
Association membership fees and dues.  
Bank charges for services.  
Contributions.  
Corporate and fiscal notices of general character.  
Cost of valuations and appraisals.  
Donations to local fire departments.  
Donations to YMCA and similar institutions.  
Election of directors.  
Exchange, domestic, on checks cashed or deposited and drafts bought.  
Fees and expenses paid directors.  
Fees paid for collection of insured loss.  
Loss by fire or burglary of funds, or from defalcation of employees when not recoverable from insurance.  
Loss from acceptance of counterfeit money.  
Notice of dividends.  
Pay to former employees separated from service.  
Premiums paid less cash surrender value of insurance on lives of officers when carrier is the beneficiary.  
Stockholders' meetings.

#### INSURANCE

§ 324.7-471 *Hull and disbursement insurance.* This account shall include the cost of insurance to protect the carrier against loss or damage sustained by its vessels in line service due to marine accident, perils of the sea, fire, and other losses covered by usual hull and disbursement insurance policies.

§ 324.7-472 *Cargo insurance.* This account shall include the cost of insurance to protect the carrier against loss and damage to cargo.

NOTE: Where the protection and indemnity insurance policy covers all the carrier's loss or damage to cargo and no separate cargo insurance is carried, the total cost of the protection and indemnity insurance shall be

charged to account 473, "Protection and indemnity insurance."

§ 324.7-473 *Protection and indemnity insurance.* This account shall include the cost of insurance to protect the carrier against injury and illness of crew and passengers on its vessels, crew repatriation, damage to piers and docks caused by its vessels, fines, and other loss covered by protection and indemnity insurance policies, including penalties imposed by governmental authorities.

§ 324.7-474 *Other insurance.* This account shall include the cost of insurance, not provided for elsewhere, to protect the carrier against loss and damage.

NOTE: The cost of insurance in connection with construction, noncarrier property, and materials and supplies (when separable), and the cost of "Group insurance" of employees shall not be included in this account.

#### OPERATING RENTS

§ 324.7-481 *Charter rents.* (a) This account shall include the rent payable by the carrier under contract for the charter of vessels from other carriers (when the amount payable as charter rent is not dependent upon the commodities and volume of freight transported), such as bare boat or time charters.

(b) The carrier shall include the rent payable under the contract in this account, and shall include in other appropriate operating expense accounts additional expenses incurred by it in operating vessels chartered from other carriers.

§ 324.7-483 *Other operating rents.* This account shall include, when not provided for elsewhere, rents payable for the use of land, structures, terminal facilities, and equipment used for transportation purposes.

#### OPERATING TAXES

§ 324.7-485 *Payroll taxes.* This account shall include old-age benefit, unemployment compensation, social security, and other similar taxes that are computed on basis of the payrolls.

#### MOTOR CARRIER OPERATIONS

§ 324.7-491 *Motor-carrier expenses.* (a) This account shall include the operating expenses incurred by the carrier in transporting passengers, freight, express, and mail by motor vehicles operated in highway service, in addition to or in lieu of services performed by line vessels.

(b) The carrier shall maintain the primary operating-expense accounts prescribed by the Commission in the uniform systems of accounts for motor carriers of property and persons.

§ 324.7-495 *Interdepartmental debits.* If a carrier so elects, this account may include amounts which are debited to appropriate primary operating-expense accounts and concurrently credited to appropriate primary revenue accounts representing interdepartmental items in connection with the operation of the carrier's terminal facilities while used by its own vessels in its own service.

The carriers shall maintain subaccounts corresponding to the primary



operating-expense accounts to which such debits shall be first allocated, and after closing the accounts the amounts in these subaccounts shall be transferred to this account. In preparing and rendering reports to this Commission, the amount in this account shall be omitted.

#### CLEARING ACCOUNT

##### § 324.7-601 *Material store expenses.*

(a) This account shall include the cost of supervision, labor, material, and other expenses incurred in the operation of storehouses, including stationery stores. The charges shall include the cost of storing, handling, and distributing materials, supplies, and stationery.

(b) Cash discount shall be credited hereto when such discount cannot be applied to the cost of particular classes of material.

(c) This account shall be cleared by adding to the cost of material and supplies a suitable loading charge which will distribute the charges equitably over the store issues.

#### LIST OF CHARGES

Adjustment of stock inventories when not assignable to specific classes of material.

Books and stationery supplies.

Building service.

Collecting and handling scrap material in stores.

Communication service.

Discount on purchases when not assignable to specific classes of material.

Freight, express, and drayage, including vehicle and service equipment expenses when not assignable to specific classes of material.

Inspecting and testing material and supplies when not assignable to specific classes of material.

Losses due to breakage, leakage, evaporation, fire, or other causes. Credit amounts received from insurers, transportation companies, and others to reduce such losses.

Pay and expenses of storekeepers, clerks, laborers, and others engaged in storing, handling, and distributing materials and supplies.

Postage and printing.

NOTE: Pay and expenses of purchasing agent, clerks, and attendants in purchasing materials and supplies shall be included in accounts 461, "General officers and clerks," and 462, "General office supplies and expenses."

By the Commission, Division 1.

[SEAL]

W. P. BARTEL,  
Secretary.

[F. R. Doc. 46-21610; Filed, Dec. 18, 1946;  
8:46 a. m.]

#### Notices

#### FEDERAL COMMUNICATIONS COMMISSION.

[Docket Nos. 7975, 7976]

LOYS MARSDON HAWLEY AND ANSON RADIO AND BROADCASTING CO.

#### ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Loys Marsdon Hawley, Bennettsville, South Carolina, Docket No. 7975, File No. B3-P-4943; Anson Radio and Broadcasting Company, Wadesboro, North Carolina, Docket No. 7976, File No. B3-P-5411, for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 29th day of November 1946;

The Commission having under consideration the above-entitled applications, each requesting construction permits for new standard broadcast stations to operate on 1400 kc, with 250 w power, unlimited time, at the places indicated above;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said applications be, and they are hereby designated for hearing in a consolidated proceeding at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant and of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the other application in this consolidated proceeding or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice concerning standard broadcast stations.

7. To determine on a comparative basis which, if either of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL]

T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21717; Filed, Dec. 18, 1946;  
8:54 a. m.]

[Docket Nos. 7725, 7726, 7724, 7990]

#### TOWER REALTY CO. ET AL.

#### ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of: The Tower Realty Company, Baltimore, Maryland, Docket No. 7725, File No. B1-PH-895;

Radio-Television of Baltimore, Inc., Baltimore, Maryland, Docket No. 7726, File No. B1-PH-966; Hearst Radio, Inc., Baltimore, Maryland, Docket No. 7724, File No. B1-PH-263, for construction permits. In re petitions of: The Tower Realty Company, Baltimore, Maryland, Radio-Television of Baltimore, Inc., Baltimore, Maryland, Docket No. 7990, for allocation of additional FM frequencies to Baltimore, Maryland.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 5th day of December 1946;

The Commission having under consideration the above-entitled applications and petitions, filed October 4, and October 9, 1946, respectively, by The Tower Realty Company, File No. B1-PH-895, Docket No. 7725; and Radio-Television of Baltimore, Inc., File No. B1-PH-969, Docket No. 7726, requesting that sufficient Class B FM channels be assigned to the Baltimore, Maryland area to permit the above-entitled applications to be removed from the hearing docket and considered for grant without hearing; and

Whereas, the Commission's Tentative Allocation Plan for Class B FM Stations released September 3, 1946, indicates that a maximum of nine Class B channels are available for assignment to the Baltimore, Maryland, area; and

Whereas, the Commission is unable to determine whether the assignment of additional channels to the Baltimore, Maryland area would serve the public interest; and

Whereas, Petitioners propose that three additional channels be made available for the Baltimore, Maryland area by amending the Tentative Allocation Plan as follows:

(1) Remove channel 237 from York, Pennsylvania, and re-assign to Baltimore.

(2) Remove channel 230 from Reading, Pennsylvania, and re-assign to York, Pennsylvania.

(3) Remove channel 238 from Allentown, Bethlehem area and re-assign to Reading, Pennsylvania.

(4) Assign channel 267 to Allentown, Bethlehem area.

(5) Remove channel 241 from York, Pennsylvania, and re-assign to Baltimore.

(6) Remove channel 249 from Harrisburg, Pennsylvania, and re-assign to Baltimore.

Whereas, The Commission is of the opinion that Petitioners' proposed allocation might result in objectionable interference and that if additional channels are to be assigned to the Baltimore, Maryland area, a more desirable amendment to the Tentative Allocation Plan might be as follows:

General area	Delete	Add
Richmond, Va.	248	280
Washington, D. C.	271	248
Baltimore, Md.		271
Harrisburg, Pa.	249	
York, Pa.	241	249
Do.	243	
Baltimore, Md.		241
Do.		243



*It is ordered*, That the said petitions, be, and they are hereby, designated for hearing in consolidation with the hearing on the above-entitled applications for Class B FM facilities in Baltimore, Maryland, heretofore ordered to be heard in Baltimore, Maryland, commencing February 3, 1947, at 10:00 a. m.; and

*It is further ordered*, That the order heretofore issued in the above-entitled proceeding be, and it is hereby, amended to include the following additional issue:

5. To determine whether more than nine Class B FM channels should be allocated to the Baltimore, Maryland area and, if so, what amendments to the Commission's Tentative Allocation Plan for Class B FM Broadcast Stations, dated September 3, 1946, should be made in order to provide such additional channels.

By the Commission.

[SEAL]

T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21713; Filed, Dec. 18, 1946;  
8:53 a. m.]

[Docket No. 7907]

STANDARD TOBACCO CO., INC.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Standard Tobacco Company, Inc., Maysville, Kentucky, docket No. 7907, file No. B2-P-5036, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 29th day of November 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 1240 kilocycles, with 250 watts power, unlimited time, at Maysville, Kentucky;

*It is ordered*, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with stations WINN, Louisville, Kentucky, and WCPO, Cincinnati, Ohio, or with any other existing broadcast station and, if so, the nature and extent thereof, the areas and populations affected thereby,

and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in any other pending application for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice concerning standard broadcast stations.

*It is further ordered*, That Kentucky Broadcasting Corporation, Inc., licensee of station WINN, Louisville, Kentucky, and Scripps-Howard Radio, Inc., licensee of station WCPO, Cincinnati, Ohio, be, and they are hereby, made parties to this proceeding.

By the Commission.

[SEAL]

T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21715; Filed, Dec. 18, 1946;  
8:54 a. m.]

[Docket Nos. 7959, 6885, 7435]

CENTRAL UTAH BROADCASTING CO. ET AL.

ORDER DESIGNATING APPLICATIONS FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Frank A. Van Wagenen and Harold E. Van Wagenen, a partnership, doing business as Central Utah Broadcasting Co., Provo, Utah, Docket No. 7959, File No. B5-P-4703; United Broadcasting Company, Ogden, Utah, Docket No. 6885, File No. B5-P-4107; Ogden Broadcasting Company, Inc., Ogden, Utah, Docket No. 7435, File No. B5-P-4553; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D. C. on the 29th day of November 1946;

The Commission having under consideration a joint petition for reconsideration filed August 22, 1946, by the United Broadcasting Company and Ogden Broadcasting Company Inc., both of Ogden, Utah, directed against the action of the Commission on August 1, 1946, granting without hearing the application of the Central Utah Broadcasting Company, Provo, Utah, for a construction permit to erect a new standard broadcast station, to operate on the frequency 1490 kc, with 250 watts power, unlimited time, at Provo, Utah; and the opposition thereto filed September 5, 1946, by Frank A. Van Wagenen and Harold E. Van Wagenen, a partnership, doing business as Central Utah Broadcasting Company, Provo, Utah; and

It appearing, that the soil conductivities in certain areas of the propagation paths between Ogden, Utah and Provo, Utah are of unusually high values, in excess of those specified by the Commission's Standards of Good Engineering Practice; and it being impossible to determine from the data presently available the extent of the anticipated mutual

co-channel interference to the new standard broadcast station at Ogden, Utah, proposed by the joint petitioners' applications, which would result from the operation of the permittee's proposed Provo, Utah station; and

It appearing further, that prohibitive interference may be created to both proposed services by the simultaneous operation of the proposed Ogden, Utah, and the proposed Provo, Utah, stations;

*It is ordered*, That, pursuant to section 405 of the Communications Act of 1934, as amended, and § 1.390 (a) (3) of the Commission's rules, the petition for reconsideration be, and it is hereby, granted; and the action of the Commission on August 1, 1946, granting without hearing the above-entitled application of Central Utah Broadcasting Company be, and it is hereby, set aside.

*It is further ordered*, That the above-entitled application of Central Utah Broadcasting Company, Provo, Utah, for construction permit be, and it is hereby, designated for hearing; that the record heretofore made on the above-entitled applications of United Broadcasting Company and the Ogden Broadcasting Company, Inc. be, and it is hereby, reopened; that both said above-entitled applications be, and they are hereby, designated for further hearing in consolidation with the hearing on the above-entitled application of Central Utah Broadcasting Company; and that the said consolidated hearing on the above-entitled application be held at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed Central Utah Broadcasting Company station and the character of other broadcast service available to those areas and populations.

2. To determine the type and character of program service to be rendered by the proposed Central Utah Broadcasting Company station, and whether it would meet the requirements of the populations and areas proposed to be served.

3. To determine whether the operation of the proposed Central Utah Broadcasting Company station at Provo, Utah, would involve objectionable interference to the operation of the station at Ogden, Utah, proposed in the applications of the United Broadcasting Company and the Ogden Broadcasting Company, Inc., or to the operation of any other broadcast services proposed in a pending application, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

4. To determine whether the operation of the proposed Central Utah Broadcasting Company station at Provo, Utah, would involve objectionable interference with the services rendered by any existing broadcast station, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.



5. To determine whether the operation of the new standard broadcast station at Ogden, Utah, proposed in the mutually exclusive applications of United Broadcasting Company and Ogden Broadcasting Company, Inc., would involve objectionable interference to the operation of the proposed Central Utah Broadcasting Company station at Provo, Utah, or to the operation of any other broadcast services proposed in a pending application, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the operation of the new standard broadcast station at Ogden, Utah, proposed in the mutually exclusive applications of United Broadcasting Company and Ogden Broadcasting Company, Inc., would involve objectionable interference with the services rendered by any existing broadcast station, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

7. To determine whether the installation and operation of the proposed Central Utah Broadcasting Company station at Provo, Utah, would be in compliance with the Commission's rules and Standards of Good Engineering Practice concerning standard broadcast stations.

8. To determine on a comparative basis which, if any, of the applications in the consolidated hearing should be granted.

[SEAL] FEDERAL COMMUNICATIONS  
COMMISSION,  
T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21716; Filed, Dec. 18, 1946;  
8:54 a. m.]

[Docket Nos. 7866, 7983]

WALMAC Co. (KMAC)

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Howard W. Davis tr/as The Walmac Company (KMAC), San Antonio, Texas, for renewal of license of Radio Station KMAC, Docket No. 7866, File No. B3-R-411, and for construction permit for change of facilities for Station KMAC, Docket No. 7983, File No. B3-P-4360.

At a session of the Federal Communications Commission held at its offices in Washington, D. C. on the 29th day of November 1946;

The Commission having under consideration the above entitled application for a construction permit to change the frequency of Station KMAC, San Antonio, Texas, from 1240 kc to 630 kc, increase its operating power from 250 watts to 5 kw and to make certain changes in equipment; and

It appearing, that the Commission, on September 19, 1946, designated for hearing the above entitled application for renewal of license of Station KMAC (Docket No. 7866);

No. 246—7

It is ordered, That pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application for construction permit to change the facilities of Station KMAC (Docket No. 7983), as aforesaid, be, and it is hereby, designated for hearing in a consolidated proceeding with the said application for renewal of license, at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant to construct and operate station KMAC as proposed.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of station KMAC as proposed and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of station KMAC as proposed would involve objectionable interference with any existing broadcast stations or with the services proposed in any pending applications, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of Station KMAC as proposed would involve objectionable interference with the Mexican Station XEHL, Guadalajara, Talisco, as defined in the North American Regional Broadcasting Agreement, and, if so, the nature and extent thereof.

6. To determine whether the installation and operation of Station KMAC as proposed would be in compliance with the Commission's rules and Standards of Good Engineering Practice concerning standard broadcast stations.

By the Commission.

[SEAL] T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21714; Filed, Dec. 18, 1946;  
8:53 a. m.]

[Docket Nos. 7404, 7997]

ATLANTIC RADIO CORP. AND BRISTOL BROADCASTING CO. INC. (WNBH)

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Atlantic Radio Corporation (NEW), Boston, Massachusetts, Docket No. 7404, File No. B1-P-4372; Bristol Broadcasting Co., Inc. (WNBH), New Bedford, Massachusetts, Docket No. 7997, File No. B1-P-4605; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 6th day of December 1946;

The Commission having under consideration the record made at the hearing heretofore held upon the application of Atlantic Radio Corporation for construction permit for new standard broadcast station at Boston, Massachusetts, to be operated on 550 kc. with 1 kw., 5 kw.-LS,

DA-2 (Docket No. 7404) in which the Bristol Broadcasting Company, Inc., pending applicant for the use of 550 kc., 5 kw., unlimited time, DA-2 (File No. B1-P-4605) participated as intervener; and

It appearing, that the simultaneous operation of the stations proposed by the Atlantic Radio Corporation and the Bristol Broadcasting Company, Inc., would result in prohibitive interference;

It is ordered, That pursuant to section 309 (a) the application of the Bristol Broadcasting Company, Inc. be, and it is hereby designated for hearing to be consolidated with the hearing heretofore held on the application of Atlantic Radio Corporation upon the following issues:

1. To determine the legal, technical, financial and other qualifications of the applicant corporation and of its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast services available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing United States broadcast stations, and if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine the extent of any interference which would result from the simultaneous operation of the station proposed herein and Station CMW, Havana, Cuba, and whether such proposed operation would be in accordance with the provisions of the North American Regional Broadcasting Agreement (Appendix II, Table I).

6. To determine whether the operation of the proposed station would involve objectionable interference with services proposed in any pending applications for broadcast facilities, and if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

7. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice concerning standard broadcast stations.

8. To determine, on a comparative basis, which, if either of the applications in this consolidated proceeding should be granted.

It is further ordered, That said hearing be held in the offices of the Commission in Washington, D. C., at 10:00 a. m. on January 20, 1947.

[SEAL] FEDERAL COMMUNICATIONS  
COMMISSION,  
T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21710; Filed, Dec. 18, 1946;  
8:53 a. m.]



[Docket Nos. 8002, 8000, 7533, 7185, 7292, 7456, 8001, 6222]

INTERSTATE BROADCASTING CO., INC.  
(WQXR), ET AL.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of: Interstate Broadcasting Company, Inc., (WQXR), New York, N. Y., Docket No. 8002, File No. B1-P-4506; Washita Valley Broadcasting Corporation (KWCO), Chickasha, Oklahoma, Docket No. 8000, File Nos. B3-P-4373, B3-MP-1919, B3-L-2129; El Paso Broadcasting Company (New), El Paso, Texas, Docket No. 7533, File No. B3-P-4634; Lake Broadcasting Company, Inc. (New), Gary, Indiana, Docket No. 7185, File No. B4-P-4341; New Laurel Radio Station, Inc. (WAML), Laurel, Mississippi, Docket No. 7292, File No. B3-P-4369; KAW Broadcasting, Inc. (New), Topeka, Kansas, Docket No. 7456, File No. B4-P-3989; Unity Corporation, Inc. (WTOD), Toledo, Ohio, Docket No. 8001, File No. B4-P-5071; Pioneer Mercantile Company (KPMC), Bakersfield, California, Docket No. 6222, File Nos. B5-P-3118, B5-P-4868; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on December 5, 1946;

The Commission having under consideration the present authorized nighttime operation at the frequency 1560 kc by Interstate Broadcasting Corporation (WQXR) and by Pioneer Mercantile Company (KPMC), and the following applications now pending before the Commission involving nighttime operation on the frequency 1560 kc: Interstate Broadcasting Company, Inc. (WQXR) (File No. B1-P-4506) requesting authority to increase power from 10 to 50 kilowatts on the frequency 1560 kc at New York City; Washita Valley Broadcasting Corp. (File No. B3-P-4373) insofar as it requests authority to operate nighttime on the frequency 1560 kilocycles with 250 watts power, with non-directional antenna, at Chickasha, Oklahoma; El Paso Broadcasting Company (File No. B3-P-4634; Docket No. 7533) requesting the frequency 1560 kilocycles, 500 watts night, 1 kilowatt day, at El Paso, Texas; Lake Broadcasting Company, Inc. (File No. B4-P-4341; Docket No. 7185) requesting the frequency 1560 kilocycles, 500 watts night, 1 kilowatt day, at Gary, Indiana; New Laurel Radio Station, Inc. (WAML) (File No. B3-P-4369) requesting authority to change frequency from 1340 to 1560 kilocycles, and increase power from 250 watts to 1 kilowatt, at Laurel, Mississippi; KAW Broadcasting, Inc. (File No. B4-P-3989), requesting the frequency 1560 kilocycles, 1 kilowatt, unlimited time, operating with directional antenna at night, at Topeka, Kansas; Unity Corporation, Inc. (WTOL) (File No. B4-P-5071), requesting authorization to change hours from daytime only to unlimited time with directional antenna at night, operating on the frequency 1560 kilocycles at Toledo, Ohio; Pioneer Mercantile Company (KPMC) (File No. B5-P-3118 as amended by File No. B5-P-4868) requesting authority to increase power

from 1 to 10 kilowatts on the frequency 1560 kilocycles, and classification as a Class I-B station at Bakersfield, California.

It appearing, that the foregoing applications involve common issues concerning the availability of the frequency 1560 kilocycles for allocation for Class I-B operation, and the manner in which allocation of stations on the frequency 1560 kilocycles would best serve the public interest and contribute to an equitable distribution of facilities in accordance with the provisions of section 307 (d) of the Communications Act of 1934, as amended; and

It further appearing, that a hearing has heretofore been commenced on the application of El Paso Broadcasting Company (Docket No. 7533) and that a consolidated hearing has heretofore been commenced on the applications of Lake Broadcasting Company, Inc. (Docket No. 7185) and New Laurel Radio Station, Inc. (Docket No. 7292);

It is ordered, That all of the foregoing applications be designated for hearing: that the records of the proceedings heretofore held in the hearings on the applications of El Paso Broadcasting Company (Docket No. 7533), Lake Broadcasting Company, Inc. (Docket No. 7185), and New Laurel Radio Station, Inc. (Docket No. 7292), be consolidated with, and be made a part of the hearing hereby ordered; and that the hearing hereby ordered be held on the following issues:

1. To determine the legal, technical, financial, and other qualifications of each applicant, and, if a corporation, its officers, directors, and stockholders, to construct and operate the proposed station.

2. To determine the areas and populations which would gain primary service through the operation of each of the proposed stations and what other broadcast services are available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered by each of the applicants and whether such service would meet the requirements of the areas and populations proposed to be served.

4. To determine whether the operation of the proposed stations would involve objectionable interference with any existing or proposed broadcast service and if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations; or would involve objectionable interference with broadcast service authorized in a foreign country pursuant to the provisions of International Agreements to which the United States is a party.

5. To determine whether any existing or proposed operation on the frequency 1560 kilocycles is, or may be, entitled to protection as a Class I-B station under the Commission's rules and regulations, and the provisions of the North American Regional Broadcasting Agreement and the Interim Agreement (Modus Vivendi) of February 25, 1946.

6. To determine whether, if any existing or proposed operation on the fre-

quency 1560 kilocycles may be afforded Class I-B protection, the according of such I-B classification to any existing or proposed station or stations would contribute to an equitable allocation of facilities and otherwise serve the public interest, convenience, or necessity.

7. To determine which, if any, of the applications in this consolidated proceeding should be granted.

By direction of the Commission.

[SEAL] T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21711; Filed, Dec. 18, 1946; 8:53 a. m.]

[Docket No. 8000]

WASHITA VALLEY BROADCASTING CORP.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Washita Valley Broadcasting Corporation, Chickasha, Oklahoma, Docket No. 8000, File Nos. B3-P-4373, B3-MP-1919, B3-L-2129, for construction permit and modification thereof and license.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on December 5, 1946;

The Commission having under consideration its action of March 7, 1946 granting an application of the Washita Valley Broadcasting Corporation, Chickasha, Oklahoma, for construction permit for a new standard broadcast station to operate on 1560 kc, with power of 250 w, unlimited time (B3-P-4373); its decision and order of August 1, 1946, and order of August 19, 1946 denying petitions of Interstate Broadcasting Corporation and Pioneer Mercantile Company to reconsider the said grant to Washita Valley Broadcasting Corporation; its decision and order of November 7, 1946 denying petitions of the same parties to reconsider the action taken on August 19, 1946 granting the application of Washita Valley Broadcasting Corporation (B3-MP-1919) for modification of construction permit for approval of antenna and approval of new transmitter location; and the pending application of Washita Valley Broadcasting Corporation (File No. B3-L-2129) for a license authorizing operation of the station constructed pursuant to the above construction permit; and

It appearing that the question whether nighttime operation in Chickasha as proposed by Washita Valley Broadcasting Corporation with a non-directional antenna presents questions which are involved in a hearing ordered this date involving the utilization of the frequency 1560 kc;

Now, therefore, it is hereby ordered, That the decisions and orders of the Commission of August 1, 1946 and November 7, 1946 denying petitions of Interstate Broadcasting Corporation and Pioneer Mercantile Company for rehearing and reconsideration of the actions of the Commission granting a construction permit and modification thereof to Washita Valley Broadcasting Corporation be, and the same are hereby, va-



cated; and upon reconsideration of the said actions that:

1. The action of the Commission of March 7, 1946, granting the application of the Washita Valley Broadcasting Corporation for a construction permit for a new broadcasting station in Chickasha, Oklahoma, to operate on 1560 kilocycles, with 250 watts power, unlimited time and the action of the Commission on August 19, 1946 granting an application of the Washita Valley Broadcasting Corporation for modification of the said permit be, and the same are hereby, set aside, and that the said applications and the application for license of Washita Valley Broadcasting Corporation (File No. B3-L-2129) be, and the same are hereby, granted insofar as they request authority for daytime operation on the frequency 1560 kilocycles with 250 watts power.

2. The said applications of Washita Valley Broadcasting Corporation, insofar as they request authority for non-directional nighttime operation be, and the same are hereby designated for hearing as provided for by separate order of this date and upon the issues specified therein.

By direction of the Commission.

[SEAL] T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21709; Filed, Dec. 18, 1946;  
8:52 a. m.]

[Docket No. 7838]

FORT INDUSTRY CO. (WGBS)

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of the Fort Industry Company (WGBS), Miami, Florida, Docket No. 7838, File No. B3-P-4393, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 5th day of September 1946;

The Commission having under consideration the above-entitled application requesting a construction permit to change the facilities of Station WGBS, now operating on 710 kc, with 10 kw power, unlimited time, employing a directional antenna at night, to increase power to 50 kw, install a new transmitter, make changes in the directional antenna, and change the transmitter location;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing upon the following issues:

1. To determine the areas and populations which may be expected to gain or lose primary service from the operation of station WGBS as proposed and the character of other broadcast service available to those areas and populations.

2. To determine whether the operation of station WGBS as proposed would involve objectionable interference with station WOR, New York, N. Y. or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broad-

cast service to such areas and populations.

3. To determine whether the operation of station WGBS as proposed would involve objectionable interference with the services proposed in the pending application of Bamberger Broadcasting Service, Inc., Station WOR, New York, N. Y. (File No. B1-P-4575) or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

4. To determine whether the installation and operation of station WGBS as proposed would be in compliance with the Commission's rules and Standards of Good Engineering Practice concerning standard broadcast stations.

5. To determine whether the proposed antenna system can be adjusted and maintained in operation so as to afford protection within the requirements of the Commission's Rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations to Station WOR at New York, N. Y., as presently operating and operating as proposed in the pending application of Bamberger Broadcasting Service, Inc. (File No. B1-P-4575).

It is further ordered, That Bamberger Broadcasting Service, Inc., licensee of Station WOR, be and it is hereby, made a party to these proceedings.

[SEAL] FEDERAL COMMUNICATIONS  
COMMISSION,  
T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21708; Filed, Dec. 18, 1946;  
8:52 a. m.]

[Docket Nos. 7398, 7399, 7615, 7616, 7497]

DON LEE BROADCASTING SYSTEM ET AL.

ORDER AMENDING ISSUES

In re applications of Don Lee Broadcasting System, San Diego (KGB), Docket No. 7398, Santa Barbara (KDB), Docket No. 7399, San Francisco (KFRC), Docket No. 7615, and Los Angeles (KHJ and KHJ-FM), Docket No. 7616, for renewal of licenses; San Diego (KGB), Docket No. 7497, for construction permit.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 5th day of December 1946;

The Commission having under consideration the above-entitled applications which have been designated for hearing in a consolidated proceeding scheduled to commence January 14, 1947, and the Commission further having under consideration the issues heretofore released with respect to said applications;

It is ordered, that the said issues be, and they are hereby, amended to read as follows:

1. To determine the legal and other (not including technical and financial) qualifications of the applicant, its officers, directors and stockholders to operate the said stations or any one of them.

2. To obtain full information concerning applicant's past practices with respect to its network operations and, in particular, to determine whether applicant is, or has been, engaging in practices in violation of, or designed to procure or compel violations by other stations of, the provisions of §§ 3.101, 3.102, 3.104 or 3.105 of the Commission's rules and regulations.

3. To determine whether in the light of the evidence adduced upon the foregoing issues the applicant is qualified to operate any or all of the stations for which licenses are requested by the instant applications.

[SEAL] FEDERAL COMMUNICATIONS  
COMMISSION,  
T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21704; Filed, Dec. 18, 1946;  
8:49 a. m.]

[Docket No. 7981]

FRANK R. SMITH, JR.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Frank R. Smith, Jr., Beaver Falls, Pennsylvania, Docket No. 7981, File No. B2-P-5428, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 5th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 1230 kc, with 250 w power, unlimited time, at Beaver Falls, Pennsylvania, and a petition by said applicant, filed November 8, 1946, requesting that said application be designated for hearing in a consolidated proceeding with the application of Eagle Printing Company, Inc. (File No. B2-P-4800, Docket No. 7672);

It appearing, that the Commission on July 18, 1946, designated for hearing the application of Eagle Printing Company, Inc. (File No. B2-P-4300, Docket No. 7672) requesting a construction permit for a new standard broadcast station to operate on 1230 kc, with 250 w power, unlimited time, at Butler, Pennsylvania; and, that on August 16, 1946, the Commission permitted Tri-County Broadcasting Company, licensee of Station WCED, DuBois, Pennsylvania, to intervene in this proceeding; and that on August 23, 1946, the Commission permitted Presque Isle Broadcasting Company, licensee of Station WERC, Erie, Pennsylvania, to intervene in this proceeding;

It is ordered, That the said petition of Frank R. Smith, Jr., be, and it is hereby, granted; and

It is further ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application of Frank R. Smith, Jr. (File No. B2-P-5428), be, and it is hereby, designated for hearing in a consolidated proceeding with the application of Eagle Printing Company, Inc. (File No. B2-P-



4800, Docket No. 7672), and the intervenors Tri-County Broadcasting Company and Presque Isle Broadcasting Company, to be heard on December 9, 1946, at Washington, D. C., upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in any pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice concerning standard broadcast stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

8. To determine the overlap, if any, that will exist between the service areas of the proposed station and of station WWSW at Pittsburgh, Pennsylvania, the nature and extent thereof, and whether such overlap, if any, is in contravention of § 3.35 of the Commission's rules.

*It is further ordered*, That, the order of the Commission dated July 18, 1946, designating for hearing the said application of Eagle Printing Company, Inc., be, and it is hereby, amended to include the above-entitled application of Frank R. Smith, Jr., and to include, among the issues for hearing, issue No. 7, stated above.

By the Commission.

[SEAL]

T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21706; Filed, Dec. 18, 1946;  
8:52 a. m.]

[Docket Nos. 7831, 7832, 2924, 7988]

HAROLD H. THOMS ET AL.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Harold H. Thoms, Greenville, South Carolina, Docket No. 7831, File No. B3-P-5150; J. B. Fuqua,

Greenville, South Carolina, Docket No. 7832, File No. B3-P-5187; Charles B. Britt, Joe H. Britt, Vardry D. Ramseur and John Arthur Ramseur, d/b as Piedmont Broadcasting Company, Greenville, South Carolina, Docket No. 7924, File No. B3-P-5374; William M. Drance, Greer, South Carolina, Docket No. 7988, File No. B3-P-5434, for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 5th day of December 1946;

The Commission having under consideration the above-entitled application of William M. Drance, requesting a construction permit for a new standard broadcast station to operate on 1240 kc, with 250 w power, unlimited time, at Greer, South Carolina; and

It appearing, that the Commission, on September 12, 1946, designated for hearing in a consolidated proceeding the above-entitled applications of Harold H. Thoms, requesting a construction permit for a new standard broadcast station to operate on 1240 kc, with 100 w power, unlimited time, at Greenville, South Carolina, and J. B. Fuqua, requesting a construction permit for a new standard broadcast station to operate on 1240 kc, with 250 w power, unlimited time, at Greenville, South Carolina; and that the above-entitled application of Charles B. Britt, Joe H. Britt, Vardry D. Ramseur and John Arthur Ramseur d/b as Piedmont Broadcasting Company, requesting construction permit for new standard broadcast station to operate on 1240 kc, with 250 w power, unlimited time, at Greenville, South Carolina, was designated for hearing in said consolidated proceeding on November 7, 1946;

*It is ordered*, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application of William M. Drance be, and it is hereby, designated for hearing in the above-consolidated proceeding at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant partnership and the partners to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in any other pending applications for broadcast facilities and,

if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice concerning standard broadcast stations.

7. To determine on a comparative basis which, if any, of the applications in this consolidated proceeding should be granted.

*It is further ordered*, That the Commission's orders dated September 12, 1946 and November 7, 1946, designating for hearing in a consolidated proceeding the said applications of Harold H. Thoms, J. B. Fuqua, and Charles B. Britt, Joe H. Britt, Vardry D. Ramseur and John Arthur Ramseur, d/b as Piedmont Broadcasting Company, be, and they are hereby, amended to include the said application of William M. Drance.

By the Commission.

[SEAL]

T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21702; Filed, Dec. 18, 1946;  
8:49 a. m.]

[Delegation Order 5]

BOARD OF COMMISSIONERS

DELEGATION FOR PERIOD DECEMBER 12, 1946,  
TO DECEMBER 31, 1947, INCLUSIVE

At a session of the Federal Communications Commission held at its offices in Washington, D. C. on the 5th day of December 1946,

It appearing that a quorum of the Commission may not be present for the period specified below,

*It is ordered*, Pursuant to § 1.105 of the Commission's rules and regulations, That for the period December 12, 1946 to December 31, 1947, inclusive, all power and duties authorized under § 1.106 of the said rules and regulations be, and they are hereby assigned to a Board of Commissioners consisting of all Commissioners present and able to act.

[SEAL]

FEDERAL COMMUNICATIONS  
COMMISSION,  
T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21703; Filed, Dec. 18, 1946;  
8:49 a. m.]

[Docket No. 6651]

NATIONAL ASSN. OF TAXICAB OWNERS ET AL.

DENIAL OF PETITION FOR ALLOCATION OF  
FREQUENCIES FOR 5-YEAR EXPERIMENTAL  
PERIOD AND OTHER RELIEF

1. The Commission has under consideration a Petition in this matter filed on behalf of the taxicab industry by National Association of Taxicab Owners, Cab Research Bureau, Inc., American Taxicab Association, City of Boston Taxicab Association, and certain manufacturers composing the taxicab subcommittee of Committee 8, Panel 13, Radio Technical Planning Board. These or-



ganizations, according to the Petition, represent more than 800 taxicab companies owning and operating in excess of 23,000 taxicabs.

2. The Petition requests the Commission to establish the policy of granting class 2 experimental licenses for two-way communication by taxicab systems for a 5-year period, and to assign six, but not less than four, channels for such service. At present, the Commission grants licenses for the use of two-way radio by taxicab systems under its Experimental Rules, which provide for a license period of one year. Of the 12 usable channels now assigned to the urban mobile service, two have been assigned specifically for use by taxicab systems under the Commission's temporary assignment plan of September 30, 1946.

3. In support of the request for the 5-year experimental period, the Petition refers to the "gamble" involved in making extensive installations under a license having a term of one year. Reference is also made in the Petition to the reticence on the part of taxicab operators to invest heavily in equipment to be used under short term licenses. However, the volume of applications reaching the Commission and the equipment expenditures planned (approximately \$4,000,000) would indicate that it is not entirely clear that the short term license is actually retarding experimental interests and activity. As a matter of fact, difficulties affecting equipment manufacturers in reaching quantity production of equipment in the 152-162 Mc band may have more effect on the experimental program than the short term license.

4. Nevertheless, the Petition evidences some apprehension on the part of the taxicab industry that two-way radio service for taxicab systems may not be established on a permanent basis and that the cancellation or expiration of a short term license may result in a substantial loss on equipment invested. The Commission desires to reassure the industry on this point. In its Allocation Reports of January 15, 1945 and May 25, 1945, the Commission recognized a certain prima facie case of need for this service and has since further recognized this need by specifically designating two frequencies for taxicab use. The Commission now recognizes the importance to the industry of some assurance that a permanent radio service for taxicab systems will be established and it hereby gives that assurance. It also recognizes that at least two channels will be required on a permanent basis for taxicab systems. Whether additional channels will be assigned for taxicab systems will depend upon the need of other industries, organizations and individuals for urban mobile service. No determination of this question can be made at this time. It is expected that a general hearing on the urban mobile service will be held to consider the frequency problem as well as other important regulatory problems.

5. Formal establishment of a permanent service for taxicab systems will involve drafting of a new part of the Commission's rules. This, of course, must be preceded by further experimentation and development by taxicab users, by reports

to the Commission on actual operations of the service to taxicabs, and by conferences between representatives of the industry and the Commission. The Commission will make every effort to expedite the establishment of this service on a permanent basis within a year from the date of this decision. Meanwhile, the Commission will continue to grant to all qualified applicants Class 2 Experimental licenses for taxicab operation on the frequencies 152.27 and 157.53.

6. In view of the foregoing, the petition for a five-year experimental period and for a minimum of four channels, is denied.

Adopted: December 5, 1946.

Released: December 9, 1946.

[SEAL] FEDERAL COMMUNICATIONS  
COMMISSION,  
T. J. SLOWIE,  
Secretary.

[F. R. Doc. 46-21712; Filed, Dec. 18, 1946;  
8:53 a. m.]

## DEPARTMENT OF JUSTICE.

### Office of Alien Property.

[Vesting Order 7298, Amdt.]

#### KURT SCHMIEDER

In re: Stock, bonds and bank account owned by Kurt Schmieder. F-28-572-A-1, F-28-572-E-1.

Vesting Order Number 7298, dated July 30, 1946, is hereby amended as follows and not otherwise:

By deleting from Exhibit A, attached thereto and by reference made a part thereof, the certificate number JN 38950, set forth with respect to capital stock of American Telephone and Telegraph Company, 195 Broadway, New York, New York, and substituting therefor the certificate number JN 38590.

All other provisions of said Vesting Order Number 7298 and all actions taken by or on behalf of the Alien Property Custodian or the Attorney General of the United States in reliance thereon, pursuant thereto and under the authority thereof are hereby ratified and confirmed.

Executed at Washington, D. C., on December 12, 1946.

For the Attorney General.

[SEAL] DONALD C. COOK,  
Director.

[F. R. Doc. 46-21729; Filed, Dec. 18, 1946;  
8:46 a. m.]

[Vesting Order 7906]

#### MATILDA A. FRICKER

In re: Estate of Matilda A. Fricker, deceased; File D-28-7580.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Karolina Karcher, Wilhelm Karcher, Jr. and Frida Karcher, whose last known addresses are Germany, are

residents of Germany and nationals of a designated enemy country (Germany);

2. That Hermann Karcher and the personal representatives, heirs, next of kin, legatees and distributees of Wilhelm Karcher, deceased, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany);

3. That all right, title, interest and claim of any kind or character whatsoever of the persons identified in subparagraphs 1 and 2 hereof, and each of them, in and to the estate of Matilda A. Fricker, deceased, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany);

4. That such property is in the process of administration by James M. Graham and Herman Snyder, as administrators, acting under the judicial supervision of the Probate Court, County of Suffolk, Massachusetts;

and it is hereby determined:

5. That to the extent that the above named persons and the personal representatives, heirs, next of kin, legatees and distributees of Wilhelm Karcher, deceased, are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest.

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 12, 1946:

For the Attorney General.

[SEAL] DONALD C. COOK,  
Director.

[F. R. Doc. 46-21725; Filed, Dec. 18, 1946;  
8:46 a. m.]

[Vesting Order 7913]

#### UEBERSEE FINANZ-KORPORATION, A. G.

In re: Debts and securities owing to Uebersee Finanz-Korporation, Aktien Gesellschaft.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation:

1. It having been found and determined by Amendatory and Supplemental Order Number 1 to Vesting Order Number 14, dated July 11, 1944, that Uebersee Finanz-Korporation, Aktien Gesellschaft is a national of a designated enemy country (Germany);

2. It is hereby found that the property described as follows:



a. All those debts or other obligations owing to Uebersee Finanz-Korporation, Aktien Gesellschaft, by Arnhold & S. Bleichroeder, Inc., 30 Broad Street, New York, New York, including particularly but not limited to that sum of money on deposit with the Chase National Bank of the City of New York, 11 Broad Street, New York, New York, in a bank account entitled Adler & Co., Separate A/C re Overseas, and any and all rights to demand, enforce and collect the same;

b. All those debts or other obligations owing to Uebersee Finanz-Korporation, Aktien Gesellschaft, by Arnhold & S. Bleichroeder, Inc., 30 Broad Street, New York, New York, including particularly but not limited to that sum of money on deposit with the Central Hanover Bank & Trust Co., Personal Trust Division, 70 Broadway, New York, New York, in a bank account entitled Adler & Co., Separate A/C re Overseas, and any and all rights to demand, enforce and collect the same;

c. 1800 shares of no par value common capital stock of Gotham Silk Hosiery Co., Inc., also known as Gotham Hosiery Co., Inc., a corporation organized under the laws of the State of Delaware, evidenced by the Certificate Numbers set forth in Exhibit A, attached hereto and by reference made a part hereof, and registered in the names of Perkins & Co., and King & Co., in the amounts appearing opposite each Certificate Number listed in Exhibit A, together with all declared and unpaid dividends thereon, and

d. That certain debt or other obligation owing to Uebersee Finanz-Korporation, Aktien Gesellschaft, by Ladenburg, Thalmann & Co., 25 Broad Street, New York, New York, in the amount of \$1,972.32, as of October 19, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 12, 1946.

For the Attorney General.

[SEAL]

DONALD C. COOK,  
Director.

EXHIBIT A—SHARES IN GOTHAM SILK HOSE CO., INC.

Certificate No.	Number of shares	Registered holder
VO-18447	50	
VO-18478	50	
VO-18477	50	
VO-18500	50	
VO-18504	50	
VO-18512	50	
VO-18584	50	
Total	350	Perkins & Co.
VO-16702	95	
VO-16724	5	
VO-18054	50	
Total	150	King & Co.
V-15951	100	
V-15952	100	
V-15953	100	
V-15954	100	
V-15955	100	
V-15956	100	
V-15957	100	
V-15958	100	
V-15959	100	
V-15960	100	
V-15961	100	
V-15962	100	
V-15963	100	
Total	1,300	King & Co.

[F. R. Doc. 46-21728; Filed, Dec. 18, 1946; 8:46 a. m.]

INTERSTATE COMMERCE COMMISSION.

[Ex Parte 164]

WATER COMPETITIVE RAILROAD RATES AND PRACTICES

NOTICE OF INVESTIGATIONS

DECEMBER 16, 1946.

Upon consideration of the oral argument with respect to the above-entitled matter and of briefs filed in response to the Commission's notice of July 26, 1946, the Commission has decided to institute 3 investigations of all-rail rates, each of which would deal with one of the principal aspects of the general question of water competitive rates, as follows: (1) Atlantic Coastwise (including Atlantic-Gulf of Mexico); (2) Intercoastal (Atlantic and Gulf to and from Pacific); (3) Pacific Coastwise. It has likewise decided to institute 3 investigations of the water rates on this competitive traffic.

Orders of investigation in Nos. 29663 and 29664, pertaining to the second group above listed are being issued at this time. In respect of the first and third groups it is not feasible to prepare such orders because of lack of information necessary to identify with sufficient particularity the rates which should be included. The water carriers and other interested parties are therefore requested to furnish the Commission at the earliest possible date definite suggestions for wording orders which would meet the requirements of section 4 (a) of the Administrative

Procedure Act, which is now in effect, that a general notice of proposed rule making shall include "either the terms or substance of the proposed rule or a description of the subjects and issues involved."

The Commission is of the view that for the present it should not investigate classification exceptions of any kind and that any comprehensive consideration of such exceptions should await the establishment of the uniform classification required by its findings in Class Rate Investigation, 1939, 262 I. C. C. 447.

In general, it is not considered feasible or necessary to include motor-carrier rates in these investigations. A possible exception exists in the case of the Pacific Coastwise rates, as to which, it is believed, motor competition may have influenced the existing rail and water rates. Parties interested in the Pacific Coastwise situation are requested to advise whether the motor carriers in that territory should be made respondents, and if so, to specify such carriers.

It is deemed not desirable to include in any of these proceedings the question of the lawfulness of divisions of joint rates for all-rail transportation.

Since the filing of the original petition by the United States Maritime Commission counsel for certain carriers on inland waterways have suggested that water competitive rail rates in which they are interested should be included in these investigations. We understand, however, that those carriers are not now in a position to specify the additional rates which should be included. Future communications from them bearing on this aspect of the matter will be given due consideration.

By the Commission.

[SEAL]

W. P. BARTEL,  
Secretary.

[F. R. Doc. 46-21689; Filed, Dec. 18, 1946; 8:51 a. m.]

[S. O. 396, Special Permit 75]

RECONSIGNMENT OF APPLES AT PHILADELPHIA, PA.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Philadelphia, Pa., Dec. 9, 1946, by M. Rosen & Co., of car FGE 37542, apples, now on the PRR Produce Terminal to New York, N. Y. (PRR).

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with



the Director, Division of the Federal Register.

Issued at Washington, D. C., this 9th day of December 1946.

V. C. CLINGER,  
Director,  
Bureau of Service.

[F. R. Doc. 46-21683; Filed, Dec. 18, 1946;  
8:51 a. m.]

[S. O. 651]

#### MINIMUM REDUCED ON COAL IN CERTAIN NORFOLK AND WESTERN CARS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 12th day of December A. D. 1946.

It appearing that certain large capacity coal cars owned by the Norfolk and Western Railway Company are suitable for carrying coal only when they can be unloaded by a mechanical car dumper, and that such cars are not now being used; in the opinion of the Commission an emergency requiring immediate action exists in the section of the country shown below; it is ordered, that:

(a) *Minimum on coal in high-side gondola cars.* The minimum weight on coal loaded in Norfolk and Western Railway flat bottom high-side gondola cars of 180,000-pound capacity, series 100,000 to 101,749, at or near Gary, West Virginia, destined to Carnegie-Illinois Steel Corporation, Gary, Indiana, shall be 60 net tons.

(b) *Application.* The provisions of this order shall apply only to such carload shipments of coal billed on or after the effective date.

(c) *Tariff provisions suspended; announcement required.* The operation of Rule 1 of Norfolk and Western Railway Company tariff I. C. C. 3214-B and supplements thereto and reissues thereof, insofar as it conflicts with the provisions of this order is hereby suspended and the Norfolk and Western Railway Company, or its agent, shall publish, file, and post a supplement to its tariff affected hereby, on not less than 5 days' notice announcing such suspension.

(d) *Effective date.* This order shall become effective at 12:01 a. m., December 14, 1946.

(e) *Expiration date.* This order shall expire at 11:59 p. m., May 31, 1947, unless otherwise modified, changed, suspended or annulled by order of this Commission. (40 Stat. 101, sec. 402; 41 Stat. 476, sec. 4; 54 Stat. 901; 49 U. S. C. 1 (10)-(17).)

It is further ordered that copies of this order and direction be served upon the Norfolk and Western Railway Company, and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it

with the Director, Division of the Federal Register.

By the Commission, Division 3.

[SEAL]

W. P. BARTEL,  
Secretary.

[F. R. Doc. 46-21692; Filed, Dec. 18, 1946;  
8:50 a. m.]

[No. 29663]

#### TRANSCONTINENTAL RAIL RATES NOTICE OF INVESTIGATION, INQUIRY AND HEARING

At a general session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 12th day of December A. D. 1946.

Upon consideration of the matters and things involved in a petition filed March 21, 1946, by the United States Maritime Commission and the War Shipping Administration requesting the Commission to institute an investigation into the lawfulness of rates and practices with respect to traffic transported by railroads in competition with water carriers:

It is ordered, That a proceeding of investigation and inquiry be, and it is hereby, instituted by the Commission on its own motion, as provided in section 13 (2) of the Interstate Commerce Act, into and concerning certain transcontinental rail rates more particularly set forth in Appendix A hereto with a view to determining whether such rates or any of them are unjust and unreasonable in violation of section 1 of said act, and if such rates or any of them shall be found to be unjust and unreasonable, with a view to determining and prescribing what will be just and reasonable rates, or the maximum or minimum, or maximum and minimum rates to be charged, as provided in section 15 (1) of said act;

It is further ordered, That all common carriers by railroad in the continental United States be, and they are hereby, made respondents in this proceeding and that a copy of this order be served upon each of them.

It is further ordered, That this proceeding be assigned for hearing at such times and places as the Commission may hereafter direct.

And it is further ordered, That this proceeding be assigned for prehearing conference at the office of the Commission, Washington, D. C., January 16, 1947, 9:30 o'clock a. m.

By the Commission.

[SEAL]

W. P. BARTEL,  
Secretary.

#### APPENDIX A

I. Rates from transcontinental groups A, B, C, C-1, D, E, E-1, F, H, K, L, and M to Pacific Coast Territorial Groups 1 and 3 as such groups are defined in Agent Kipp's I. C. C. 1516 and 1517, as published in the following items in Kipp's I. C. C. 1507 and similar commodities in Agent Kipp's I. C. C. 1521.

Item No.	Commodity
1955	Twine or rope.
3160	Aluminum or aluminum articles.
3205	Ammunition, small arm.
3215	Antifreezing compound.
3600	Brass, bronze or copper articles, etc.
3760	Sodium alum, etc.

Item No.	Commodity
3775	Canned goods, etc.
3780	Can stock, iron or steel.
4035	Chocolate coating.
4045	Cocoa, cocoa beans, confectionery, etc.
4060	Coffee or coffee substitutes.
4065	Green coffee.
4115	Cooling boxes, refrigerators, etc.
4330	Starch and dextrine.
4350	Drugs, medicines, chemicals, etc.
4370	Cotton bagging.
4575	Fabric, hose cord, tire cord.
4785	Dried beans and lentils.
4930	Glass, rough rolled, etc.
4935	Glass, window.
4950	Glass or glassware, etc.

#### Iron and steel articles as described in items:

5095	5570	5645	5750	5815
5515	5590	5715	5795	5845
5555	5625	5735	5800	5850
5560	5630	5740	5805	5860
6050	Lumber.			
6090	Concentrated lye.			
6450	Peanuts.			
6675	Vegetable oil shortening.			
6710	Paint, paint materials, etc.			
6725	Blue lead, etc.			
6925	Paraffin, wax and lubricating oil.			
7090	Chinaware, porcelainware, earthenware, etc.			
7100	Earthenware or stoneware, etc.			
7295	Rice.			
7350	Rosin.			
7595	Rosin sizing.			
7615	Soap, etc.			
7645	Soda ash.			
7770	Sulphur.			
7785	Syrup, glucose, molasses, etc.			
7805	Sugar, maple.			
7905	Tile, facing or flooring, clay, etc.			
7910	Tile, facing or flooring, asbestos, etc.			
7915	Slabs, building, opaque glass, etc.			
7945	Iron or steel sheet, tin plate, terneplate.			
7950	Tin can stock.			
7985	Cigarettes.			
7990	Cigars.			
8015	Tobacco (unmanufactured), domestic, leaf, etc.			
8025	Tobacco, manufactured.			
8065	Turpentine.			
8070	Twine and cordage.			
8225	Vinegar.			
8330	Wire rods.			

II. Rates from territorial groups 1 and 3 to territorial groups A, B, C, C-1, D, E, E-1, F, H, K, L and M as defined in agent Kipp's I. C. C. 1516 and 1517, as published in the following items in agent Kipp's I. C. C. 1519 and similar commodities in agent Kipp's I. C. C. 1515.

3035	Borax (sodium borate), crude or refined, etc.
3365	Barium, carbonate of, etc.
3375	Barium, precipitated, etc.
3800	Canned goods, etc.
3801	Milk, etc.
3905	Casein.
4015	Cider or apple juice.
4711	Fruits, dried or evaporated.
5780	Paints.

III. Lumber and shingles as described in the following items of agent Kipp's tariff 17-S I. C. C. 1511; and to the same points as described in agent Kipp's I. C. C. 1504.

B 930	C 875	710
B 945	C 895	755
C 790	C 920	1015
C 820	C 945	2150
C 845		

IV. Lumber and shingles as described in the following items of agent Kipp's tariff 18-P I. C. C. 1474; and to the same points as described in agent Kipp's I. C. C. 1439.

12665	12950	12647
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[F. R. Doc. 46-21690; Filed, Dec. 18, 1946;  
8:51 a. m.]



[S. O. 652]

UNLOADING OF SCRAP STEEL RAILS AT  
NEW ORLEANS, LA.

At a session of the Interstate Commerce Commission Division 3, held at its office in Washington, D. C., on the 12th day of December A. D. 1946.

It appearing, that 4 cars containing scrap steel rails at New Orleans, La., on the Southern Railway Company, have been on hand under load for unreasonable lengths of time and that the delay in unloading said cars is impeding their use; in the opinion of the Commission an emergency exists requiring immediate action; it is ordered, that:

(a) *Scrap steel rails at New Orleans, La., be unloaded.* The Southern Railway Company, its agents or employees, shall unload immediately cars PRR 315631, PRR 323737, IC 98148 and P&LE 45148, loaded with scrap steel rails, now on hand at New Orleans, La.

(b) *Demurrage.* No common carrier by railroad subject to the Interstate Commerce Act shall charge or demand or collect or receive any demurrage or storage charges, for the detention under load of any car specified in paragraph (a) of this order, for the detention period commencing at 7:00 a. m., December 14, 1946, and continuing until the actual unloading of said car or cars is completed.

(c) *Provisions suspended.* The operation of any or all rules, regulations, or practices, insofar as they conflict with the provisions of this order, is hereby suspended.

(d) *Notice and expiration.* Said carrier shall notify V. C. Clinger, Director, Bureau of Service, Interstate Commerce Commission, Washington, D. C., when it has completed the unloading required by paragraph (a), and such notice shall specify when, where, and by whom such unloading was performed. Upon receipt of that notice this order shall expire. (40 Stat. 101, sec. 402; 41 Stat. 476, sec. 4; 54 Stat. 901, 911; 49 U. S. C. 1 (10)-(17), 15 (2))

It is further ordered, that this order shall become effective immediately; that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission, at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

By the Commission. Division 3.

[SEAL] W. P. BARTEL,  
Secretary.[F. R. Doc. 46-21693; Filed, Dec. 18, 1946;  
8:49 a. m.]

[No. 29664]

## INTERCOASTAL WATER RATES

NOTICE OF INVESTIGATION INQUIRY AND  
HEARING

At a general session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 12th day of December A. D. 1946.

Upon consideration of the matters and things involved in a petition filed March 21, 1946, by the United States Maritime Commission and the War Shipping Administration requesting the Commission to institute an investigation into the lawfulness of rates and practices with respect to traffic transported by railroads in competition with water carriers:

It is ordered, That a proceeding of investigation and inquiry be, and it is hereby, instituted by the Commission on its own motion, as provided in section 304 (e) of the Interstate Commerce Act, into, and concerning certain rates established for transportation by common carriers by water between ports in the United States on the Atlantic coast and the Gulf of Mexico on the one hand and on the Pacific coast on the other hand, on commodities listed in Appendix A hereto, with a view to determining whether such rates or any of them are unjust and unreasonable in violation of section 305 (a) of said act, and if such rates or any of them shall be found to be unjust and unreasonable, with a view to determining and prescribing what will be the lawful rates, or the maximum or minimum, or maximum and minimum rates to be charged, as provided in section 307 (b) of said act;

It is further ordered, That the following common carriers by water be, and they are hereby, made respondents in this proceeding and that a copy of this order be served upon each of them: American Foreign Steamship Corporation; American-Hawaiian Steamship Company; American President Lines, Ltd.; Sudden & Christenson, Inc., (Arrow Line), Managing Operator; G. W. Skinner, David E. Skinner and R. C. Anderson dba Northland Transportation Company; Isthmian Steamship Company; States pany—Quaker Lines; Calmar Steamship Company, California Eastern Line, Inc., and Pacific-Atlantic Steamship Company—Quaker Lines; Calmar Steamship Corporation; Luckenbach Gulf Steamship Company, Inc.; Luckenbach Steamship Company, Inc.; Pope & Talbot, Incorporated; Weyerhaeuser Steamship Company; Pacific Coast Direct Line, Inc.; United States Lines Company;

It is further ordered, That this proceeding be assigned for hearing at such times and places as the Commission may hereafter direct;

And it is further ordered, That this proceeding be assigned for prehearing conference at the office of the Commission, Washington, D. C., January 16, 1947, 9:30 o'clock a. m.

By the Commission.

[SEAL] W. P. BARTEL,  
Secretary.

## APPENDIX A

## WESTBOUND COMMODITIES

Twine or rope.  
Aluminum or aluminum articles.  
Ammunition, small arm.  
Anti-freezing compound.  
Brass, bronze or copper articles, etc.  
Sodium alum, etc.  
Canned goods, etc.  
Can stock, iron or steel.  
Chocolate coating.  
Cocoa, cocoa beans, confectionery, etc.  
Coffee or coffee substitutes.  
Green coffee.  
Cooling boxes, refrigerators, etc.

Starch and dextrine.  
Drugs, medicines, chemicals, etc.  
Cotton bagging.  
Fabric, hose cord, tire cord.  
Dried beans and lentils.  
Glass, rough rolled, etc.  
Glass, window.  
Glass or glassware, etc.  
Iron and steel articles.  
Lumber.  
Concentrated lye.  
Peanuts.  
Vegetable oil shortening.  
Paint, paint materials, etc.  
Blue lead, etc.  
Paraffin, wax and lubricating oil.  
Chinaware, porcelainware, earthenware, etc.  
Earthenware or stoneware, etc.  
Rice.  
Rosin.  
Rosin sizing.  
Soap, etc.  
Soda ash.  
Sulphur.  
Syrup, glucose, molasses, etc.  
Sugar, maple.  
Tile, facing or flooring, clay, etc.  
Tile, facing or flooring, asbestos, etc.  
Slabs, building, opaque glass, etc.  
Iron or steel sheet, tin plate, terneplate.  
Tin can stock.  
Cigarettes.  
Cigars.  
Tobacco (unmanufactured) domestic, leaf, etc.  
Tobacco, manufactured.  
Turpentine.  
Twine and cordage.  
Vinegar.  
Wire rods.

## EASTBOUND COMMODITIES

Borax (sodium borate), crude or refined, etc.  
Barium, carbonate of, etc.  
Barium, precipitated, etc.  
Canned goods, etc.  
Milk, etc.  
Casein.  
Cider or apple juice.  
Fruits, dried or evaporated.  
Paints.  
Lumber and shingles.

[F. R. Doc. 46-21691; Filed, Dec. 18, 1946;  
8:51 a. m.]

## OFFICE OF TEMPORARY CONTROL

## Civilian Production Administration.

[C-463]

BURRILLVILLE RACING ASSOCIATION, INC.  
AND E. TURGEON CONSTRUCTION CO., INC.

## CONSENT ORDER

Burrillville Racing Association, Inc., of Pawtucket, Rhode Island, is a corporation organized to construct and operate a horse race track, and E. Turgeon Construction Co., Inc. is the building contractor. The corporation and the contractor are charged by the Civilian Production Administration with having commenced construction of four stables on the premises of the Association at Lincoln, Rhode Island, at some time between September 4, 1946 and September 20, 1946, without authorization from the Civilian Production Administration, which construction was not permitted under any exemption provided for in the order and therefore constituted a violation of Veterans' Housing Program Order 1. The Burrillville Racing Association, Inc., admit the violation as charged but deny it was intentional or



wilful, and consent to the issuance of this order. E. Turgeon Construction Co., Inc., admit the violation but state that its acts were based upon representations by Burrillville Racing Association, Inc., that the construction was not in violation of the order, and therefore deny that the violation was intentional or wilful and consent to the issuance of this order.

Wherefore, upon the agreement and consent of Burrillville Racing Association, Inc., by Henry Lapan, its president, E. Turgeon Construction Co., Inc., by Edward P. Turgeon, its Treasurer, the Regional Compliance Director, and the Regional Attorney, and upon the approval of the Compliance Commissioner, *It is hereby ordered, That:*

(a) Neither the Burrillville Racing Association, Inc., E. Turgeon Construction Co., Inc., their successors or assigns, nor any other person shall do any further construction on the stables or any other structure on the premises of the Association at Lincoln, Rhode Island.

(b) The provisions of paragraph (a) above shall apply only so long as Veterans' Housing Program Order 1 or other applicable substitute or successor orders restricting, prohibiting or controlling construction of this nature in the United States shall remain in effect.

(c) The provisions of paragraph (a) above do not apply to the grandstand and club house now being constructed on the premises provided the construction thereof is carried on normally hereafter within the meaning of Veterans' Housing Program Order 1, nor shall the provisions of paragraph (a) above apply to the following minimum amount of work required to protect the structure and materials from the weather:

(1) Complete the east half of the roof of the north stable known as stable number four by doing only the following work: install five rafters, board in the balance of east half of roof, and cover east half with roofing paper.

(2) Paint frame work on west half of structure and any exposed portions of frame on east half.

(d) Nothing contained in this order shall be deemed to relieve Burrillville Racing Association, Inc., or E. Turgeon Construction Co., Inc., their successors or assigns from any restriction of the Civilian Production Administration, except insofar as the same may be inconsistent with the provisions thereof.

Issued this 17th day of December 1946.

CIVILIAN PRODUCTION  
ADMINISTRATION,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 46-21770; Filed, Dec. 17, 1946;  
4:31 p. m.]

[C-465]

GEORGE CHOOLGIAN  
CONSENT ORDER

George Choolgian, of Rocky Hill, Connecticut, operates a restaurant at 212 Silas Deane Highway, Rocky Hill, Connecticut. George Choolgian started work on a dining room addition to the restaurant in December 1945 by pouring

footings but did no further work on the addition until August 1946. George Choolgian is charged by the Civilian Production Administration with having done construction on a building, which construction, though begun before Order VHP-1 became effective, was not being carried on on that date and carried on normally after that date. The work was done without authorization from the Civilian Production Administration and was not permitted under any exemption provided for in the order and therefore constituted a violation of VHP Order 1. George Choolgian admits the violation as charged and consents to the issuance of this order.

Wherefore, upon the agreement and consent of George Choolgian, the Regional Compliance Director, and the Regional Attorney, and upon the approval of the Compliance Commissioner, *It is hereby ordered, That:*

(a) Neither George Choolgian, his successors or assigns, nor any other person shall do any further construction on the restaurant known as the Wagon Wheel at 212 Silas Deane Highway, Rocky Hill, Connecticut, unless hereafter specifically authorized in writing by the Civilian Production Administration.

(b) The provisions of paragraph (a) above shall not apply to the following minimum amount of work to protect the structure from the weather and from entry by unauthorized persons;

(1) Boarding over the roof, windows and doors with used lumber.

(2) Cover the roof and building openings with waterproof paper.

(3) Install flashing in gullies where gable roof of new addition adjoins original structure.

(4) Cover over hatchway entrance to make same water-proof, using old lumber and water-proof paper for this purpose.

(5) Pour sufficient concrete foundation west of the original structure to support the temporary erection of a steel girder. This is necessary to prevent any possible collapse of this structure. This foundation should not extend beyond the outside on west wall of the hatchway entrance. On it are to be set two lally columns, which are to hold in place the steel girder. This steel girder is being erected for the purpose of supporting one end of a 41-foot span of a 25-inch "I" beam.

(c) George Choolgian shall refer to this order in any application or appeal which he may file with the Civilian Production Administration for authorization to carry on construction.

(d) Nothing contained in this order shall be deemed to relieve George Choolgian, his successors or assigns from any restriction, prohibition or provision contained in any other order or regulation of the Civilian Production Administration, except insofar as the same may be inconsistent with the provisions hereof.

Issued this 17th day of December 1946.

CIVILIAN PRODUCTION  
ADMINISTRATION,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 46-21771; Filed, Dec. 17, 1946;  
4:31 p. m.]

## SECURITIES AND EXCHANGE COMMISSION.

[File Nos. 7-926, 7-927, 7-928]

PHILADELPHIA STOCK EXCHANGE ET AL.

### FINDINGS AND ORDER EXTENDING UNLISTED TRADING PRIVILEGES

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 13th day of December A. D. 1946.

In the matter of applications by the Philadelphia Stock Exchange to extend unlisted trading privileges to American Airlines, Inc., Common Stock, \$1 Par Value, File No. 7-926; Blue Ridge Corp., Common Stock, \$1 Par Value, File No. 7-927; Food Fair Stores, Inc., Common Stock, No Par Value, File No. 7-928.

The Philadelphia Stock Exchange has made application to the Commission pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F-1 for permission to extend unlisted trading privileges to the above-mentioned securities.

A public hearing has been held after appropriate notice.

The Commission, being duly advised, finds:

(1) That the \$1 Par Value Common Stock of American Airlines, Inc., is listed and registered on the New York Stock Exchange and is admitted to unlisted trading privileges on the Boston Stock Exchange; that out of a total of 6,452,836 shares outstanding, members of the Philadelphia Stock Exchange in the vicinity of that exchange held 49,554 shares of this security on July 31, 1946 for 217 different shareholders and that in the vicinity of this exchange there were 946 transactions involving 71,102 shares of this security from August 1, 1945, to August 1, 1946;

(2) That the \$1 Par Value Common Stock of Blue Ridge Corporation is listed and registered on the New York Curb Exchange and on the Boston Stock Exchange; that out of a total of 7,489,483 shares outstanding, members of the Philadelphia Stock Exchange in the vicinity of the exchange held 30,009 shares of this security on July 31, 1946, for 132 shareholders; and that in the vicinity of the exchange there were 980 transactions involving 175,941 shares from August 1, 1945, to August 1, 1946;

(3) That the No Par Value Common Stock of Food Fair Stores, Inc., is listed and registered on the New York Stock Exchange; that out of a total of 1,500,172 shares outstanding, 1,124,069 shares were owned by 1,262 shareholders in the States of Pennsylvania, New Jersey, and Delaware on August 30, 1946, and members of the Philadelphia Stock Exchange in the vicinity of that exchange held 45,394 shares of this security on July 31, 1946, for 134 shareholders; and that in the vicinity of this exchange there were 1,024 transactions involving 102,845 shares from August 1, 1945, to August 1, 1946;

(4) That sufficient public distribution of, and sufficient public trading activity in, each of the above securities exists in the vicinity of the applicant exchange to render the extension of unlisted trading privileges thereto appropriate in the pub-



lic interest and for the protection of investors; and

(5) That the extension of unlisted trading privileges on applicant exchange to each of the above securities is otherwise appropriate in the public interest and for the protection of investors.

Accordingly, *It is ordered*, Pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934, that the applications of the Philadelphia Stock Exchange for permission to extend unlisted trading privileges to:

American Airlines, Inc., common stock, \$1 par value.

Blue Ridge Corp., common stock, \$1 par value.

Food Fair Stores, Inc., common stock, no par value.

be, and the same are, hereby granted.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 46-21679; Filed, Dec. 18, 1946;  
8:55 a. m.]

[File No. 70-1312]

#### STANDARD GAS AND ELECTRIC CO.

#### ORDER PERMITTING AMENDED DECLARATION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 12th day of December 1946.

Standard Gas and Electric Company, a registered holding company, having filed on June 3, 1946 a declaration and amendments thereto pursuant to section 12 (d) of the Public Utility Holding Company Act of 1935 and the rules and regulations promulgated thereunder regarding the sale on September 4, 1946, pursuant to the competitive bidding requirements of Rule U-50, of 140,614 shares which it owns (representing 56.42% of the presently outstanding 249,233 shares) of common stock, without par value, of Mountain States Power Company, a Delaware corporation, the net proceeds from said sale to be applied toward the payment of interest and principal on its promissory notes, dated April 10, 1946, issued to banks under the Bank Loan Agreement of declarant dated December 21, 1945, as later amended (copies of which are on file with the Commission, File No. 70-1211); Standard Gas and Electric Company having represented that such sale is for the purpose of enabling the Company to comply with the provisions of subdivision (b) of section 11 of the Public Utility Holding Company Act of 1935 and with the order of the Commission dated August 8, 1941, issued pursuant thereto (File No. 59-9), and having requested that the Commission in its order find that the proposed sale is necessary or appropriate to effectuate the provisions of section 11 (b) of said act and make the specifications and itemizations necessary in order that sections 371 (b), 371 (f) and 1808 (f) of the Internal Revenue Code shall be applicable.

The Commission having given public notice of such filing in the manner and form prescribed by Rule U-23, no request

for a hearing having been received in response thereto, and the Commission having issued its order dated August 22, 1946 (Holding Company Act Release No. 6856) permitting said declaration, as then amended, to become effective, pursuant to Rule U-23;

Standard Gas and Electric Company not having sold said shares of the common stock of Mountain States Power Company as provided in said declaration within the time permitted by the Commission's order dated August 22, 1946 and the provisions of Rule U-24 of the General rules and regulations of the Commission; and

Standard Gas and Electric Company having filed on December 6, 1946 a further amendment to its amended declaration proposing to sell the said 140,614 shares of common stock of Mountain States Power Company, without par value, and requesting, that in lieu of fixing a day certain for offering such stock for sale, it be permitted to sell said common stock at competitive bidding under the provisions of Rule U-50 on a day to be fixed by declarant, such day to be at the earliest date practicable within the sixty-day period permitted by the provisions of Rule U-24.

Declarant having further requested that the ten-day period for inviting bids as provided for by the provisions of Rule U-50 be shortened to six days for the reason that the Company desires to take advantage of the most opportune time under existing market conditions to offer said securities for sale; and

The Commission deeming it appropriate in the public interest and in the interest of investors and consumers to permit said amended declaration, as further amended on December 6, 1946, to become effective, and finding with respect to said amended declaration, as further amended on December 6, 1946, that the requirements of section 12 (d) are satisfied;

*It is hereby ordered*, That pursuant to Rule U-23 and the provisions of Rule U-24 (c) (3) (C) said amended declaration, as further amended on December 6, 1946, be, and the same is hereby, permitted to become effective forthwith, subject to the terms and conditions prescribed by Rule U-24, and subject to the further condition that the proposed sale of shares of common stock of Mountain States Power Company by Standard Gas and Electric Company shall not be consummated until the results of competitive bidding pursuant to Rule U-50 have been made a matter of record herein and a further order shall have been entered with respect thereto, which order may contain such further terms and conditions as may then be deemed appropriate, for which purpose jurisdiction is hereby reserved.

*It is further ordered*, That the ten-day period for inviting bids as provided for in Rule U-50 be, and the same hereby is, shortened to a period of six days.

*It is further ordered and the Commission finds*, That the proposed sale and transfer by Standard Gas and Electric Company of 140,614 shares of the common stock, without par value, of Mountain States Power Company now held by Standard Gas and Electric Company is

in accordance with and in obedience to the aforesaid order of this Commission dated August 8, 1941, which order found that the divestment by Standard Gas and Electric Company was necessary and appropriate for the purpose of bringing about compliance by Standard Gas and Electric Company with section 11 (b) (1) of the act; and the said 140,614 shares of common stock of Mountain States Power Company are hereby specified and itemized as being included in the holdings named in said order dated August 8, 1941.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 46-21677; Filed, Dec. 18, 1946;  
8:55 a. m.]

[File No. 70-1359]

#### NORTHERN STATES POWER CO. AND INTERSTATE LIGHT AND POWER CO.

#### ORDER GRANTING APPLICATION AND PERMITTING DECLARATION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 12th day of December 1946.

Northern States Power Company, a Minnesota corporation (Northern States), and Interstate Light and Power Company, a Wisconsin corporation (Interstate), having jointly filed an application and declaration and an amendment thereto, in which sections 6 (b), 9 (a), 11 (b), 11 (e), 15 (f) and 20 (a) of the Public Utility Holding Company Act of 1935 have been designated as applicable with respect to the following transactions:

Interstate and Northern States desire to reorganize, revise and simplify the capital structure of Interstate. To accomplish such result, Interstate proposes to amend its Articles of Incorporation to increase its authorized capital from \$250,000 to \$550,000 consisting of 5,500 shares of capital stock of the par value of \$100 each, and to issue \$350,000 principal amount of First Mortgage Bonds, due October 1, 1975, bearing interest at the rate of 4%, to be dated as of the date of issue and to be secured by a Supplemental Deed of Trust to the Harris Trust and Savings Bank, as successor Trustee, and Harold Eckhart, as successor Co-Trustee.

Northern States, which owns all of the outstanding securities of Interstate, will consent to such action by Interstate and will surrender for cancellation to Interstate \$966,000 principal amount of First Mortgage 6% Bonds, due on demand, in exchange for \$350,000 principal amount of New First Mortgage Bonds 4%, due October 1, 1975, and 3,350 additional shares of capital stock of Interstate. In connection with such exchange, Northern States will waive all right to interest past due and unpaid (\$455,635 at June 30, 1946) owed by Interstate to it on the First Mortgage 6% Bonds now outstanding.

The capital and surplus of Interstate, per books as of June 30, 1946, and pro forma reflecting the proposed transactions, appear below;



	Per books		Pro forma	
		Percent		Percent
Funded debt:				
First mortgage 6 percent bonds due on demand.....	\$966,000	163.4		
First mortgage 4 percent bonds due October 1, 1975.....			\$350,000	34.2
Common stock and surplus:				
Common Stock, \$100 par value, 2,500 shares authorized, 2,150 shares outstanding.....	215,000	36.3		
Common stock, \$100 par value, 5,500 shares authorized and issued.....			550,000	53.7
Surplus:				
Earned.....	(589,669)	(99.7)		
Capital.....			123,998	12.1
Total common stock and surplus.....	(374,669)	(63.4)	673,998	65.8
Total capital and surplus.....	591,331	100.0	1,023,998	100.0

( ) denotes red figure.

The above-described plan for the reorganization and recapitalization of Interstate has been approved by the Public Service Commission of Wisconsin by its Certificate of Authority dated June 17, 1946. The Public Service Commission of Wisconsin is presently engaged in auditing the reclassification of the utility plant account of Interstate. If such account is ordered to be reduced, Interstate proposes to charge the amount of such reduction to its capital surplus account.

By order issued on November 8, 1946, the Securities and Exchange Commission required Northern States to establish, in certain specific amounts as therein set forth, a "Reserve for possible adjustment of utility plant accounts and other balance sheet accounts" and "paid-in surplus". Northern States proposes to write off to either of such accounts \$78,887 which represents the difference between the aggregate amount of its investment in the securities of Interstate (\$1,102,885) and the underlying book value thereof (\$1,023,998) on the books of Interstate, after recapitalization. If any subsequent charges are made by Interstate to its capital surplus account, Northern States proposes to make corresponding charges to either the "Reserve for possible adjustment of utility plant accounts and other balance sheet accounts" or "paid-in surplus".

Said application and declaration having been filed on August 26, 1946, and an amendment thereto having been filed on October 18, 1946, and notice of such filing having been duly given in the manner prescribed by Rule U-23 promulgated pursuant to said act, and the Commission not having received a request for hearing with respect to said application and declaration within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

The applicants and declarants having requested that the Commission order granting the application and permitting the declaration to become effective be issued at an early date in order to permit the consummation of the proposed transactions without delay and the Commission deeming it appropriate to grant such request; and

The Commission finding that the Public Service Commission of Wisconsin has expressly authorized the transactions hereinabove set forth and the Commission being satisfied on the basis of the record that the applicable requirements of the act are met; that the structure of Interstate will be simplified by the effectuation of the proposed transactions; and that it is appropriate that the application

and declaration, as amended, be granted and permitted to become effective;

It is hereby ordered, That pursuant to said Rule U-23 and the applicable provisions of said act and subject to the terms and conditions prescribed in Rule U-24 that the aforesaid application and declaration, as amended, be, and the same hereby is, granted and permitted to become effective.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.[F. R. Doc. 46-21676; Filed, Dec. 18, 1946;  
8:55 a. m.]

[File No. 70-1391]

## KANSAS CITY POWER &amp; LIGHT CO.

SUPPLEMENTAL ORDER PERMITTING AMENDED  
DECLARATIONS TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission held at its office in the City of Philadelphia, Pa., on the 12th day of December A. D. 1946.

Kansas City Power & Light Company (Kansas City), a subsidiary of Continental Gas & Electric Corporation (Continental), a registered holding company, in turn a subsidiary of The United Light and Railways Company, also a registered holding company, having filed applications and declarations and amendments thereto pursuant to the applicable provisions of the Public Utility Holding Company Act of 1935 and the Rules and Regulations promulgated thereunder regarding the issuance and sale of \$36,000,000 principal amount of First Mortgage Bonds, due 1976, and 100,000 shares of Cumulative Preferred Stock, par value \$100 per share, pursuant to the competitive bidding requirements of Rule U-50, the issuance and sale of \$4,000,000 principal amount of 10-year serial notes to commercial banks and other transactions incident thereto including, among other things, the execution on December 3, 1946 of an agreement between Kansas City and the Continental whereby the latter has agreed to purchase from Kansas City on or before March 1, 1947, \$3,500,000 of common stock; and

The Commission by order dated November 26, 1946 having granted said applications and permitted said declarations to become effective subject to the terms and conditions prescribed in Rule U-24 and subject to the following further conditions:

(1) That Kansas City obtain from the State Corporation Commission of Kan-

sas a final order expressly authorizing the issue and sale of said bonds, notes, and preferred stock and

(2) That the proposed issue and sale of bonds, notes and preferred stock shall not be consummated until the results of competitive bidding pursuant to Rule U-50 shall have been made a matter of record in this proceeding and a further order shall have been entered by this Commission in the light of the record so completed, which order may contain such further terms and conditions as may then be deemed appropriate; and

The Commission in said order dated November 26, 1946, having reserved jurisdiction over the payment of all legal fees and expenses of counsel in connection with the proposed transactions;

Kansas City having filed a further amendment to its application-declaration setting forth the action taken to comply with the requirements of Rule U-50 and showing that pursuant to the invitation for competitive bids, three groups of bidders have submitted bids for the bonds and four groups of bidders have submitted bids for the preferred stock. These bids are as follows:

## BONDS

Bidding group headed by—	Price to company	Interest rate	Cost to company
		Percent	Percent
Halsey, Stuart & Co., Inc.....	100.889	2.75	2.706
The First Boston Corp.....	100.08	2.75	2.717
Dillon, Read & Co., Inc.....	100.6399	2.75	2.719

## PREFERRED

Bidding group headed by—	Price per share to company	Dividend rate	Cost to company
		Percent	Percent
The First Boston Corp.....	\$100.91	3.80	3.766
Dillon, Read & Co., Inc.....	100.8199	3.80	3.769
Glore, Forgan & Co.....	100.5311	3.80	3.779
W. O. Langley & Co.....			
Shields & Co.....			
White, Weld & Co.....	100.08	3.80	3.797
Central Republic Co., Inc.....			

Said amendment having further set forth that Kansas City has accepted the bid of the group headed by Halsey, Stuart & Co., Inc. for the first mortgage bonds as set out above and that such bonds will be offered for sale to the public at a price of 101.43% of the principal amount thereof plus accrued interest from December 1, 1946, to date of delivery resulting in an underwriter's spread of .541% of the principal amount of the bonds; and that Kansas City has accepted the bid of the group headed by The First Boston Corporation for the purchase of the cumulative preferred stock as set out above and that such preferred stock will be offered for sale to the public at a price of \$102.70 per share plus accrued dividends from December 1, 1946, resulting in an underwriter's spread of \$1.79 per share; and

Said amendment also setting forth that Kansas City has obtained from the State Corporation Commission of Kansas a final order expressly authorizing the issue and sale of said bonds, notes, and preferred stock; and



Counsel for the company and for the underwriters having filed statements with respect to the nature of their services performed in connection with the transactions; and

The Commission having examined the record in the light of said amendment and finding no basis for imposing terms and conditions with respect to the price to be paid for said first mortgage bonds due 1976 and the interest rate thereon, or the price to be paid for the cumulative preferred stock and the dividend rate thereon, or the underwriter's spread in connection with said preferred stock and bonds; and it appearing that the legal fees as follows: Sidley, Austin, Burgess & Harper, \$25,000 and Johnson, Lucas, Graves and Fane \$12,000 as counsel for the company, and Cahill, Gordon, Zachry and Reindel, \$20,000 as independent counsel for the underwriters, are for necessary services and are not unreasonable and that jurisdiction over them should now be released;

It is ordered effective forthwith, That said applications and declarations, as amended, be and the same hereby are granted and permitted to become effective respectively subject to the terms and conditions prescribed in Rule U-24 and that the jurisdiction heretofore reserved over the payment of legal fees and expenses of counsel in connection with the proposed transactions be and the same hereby is released.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 46-21674; Filed, Dec. 18, 1946;  
8:56 a. m.]

[File No. 70-1402]

MILWAUKEE ELECTRIC RAILWAY & TRANSPORT CO. AND WISCONSIN ELECTRIC POWER CO.

#### NOTICE OF FILING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 6th day of December 1946.

Notice is hereby given that a joint declaration and application has been filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 by The Milwaukee Electric Railway & Transport Company, a wholly-owned subsidiary of Wisconsin Electric Power Company, and by Wisconsin Electric Power Company, a subsidiary of The North American Company, a registered holding company. Declarants-applicants designate sections 12 (c) and 12 (f) of the act and Rules U-42 and U-43 of the rules promulgated thereunder as applicable to the proposed transactions.

Notice is further given that any interested person may, not later than Decem-

ber 20, 1946, at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request and the issues, if any, of fact or law raised by said declaration or application proposed to be controverted, or may request that he be notified if the Commission should order a hearing thereon. At any time thereafter such declaration or application, as filed or as amended, may become effective as provided in Rule U-23 of the rules and regulations promulgated pursuant to said act, or the Commission may exempt such transaction as provided in Rules U-20 (a) and U-100 thereof. Any such request should be addressed: Secretary, Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania.

All interested persons are referred to said declaration which is on file in the office of this Commission, for a statement of the transactions therein proposed, which are summarized below:

The Milwaukee Electric Railway & Transport Company proposes (a) to redeem on or about December 31, 1946, at the principal amount thereof plus accrued interest, \$950,000 principal amount of its First Mortgage 4% Bonds owned by Wisconsin Electric Power Company, and (b) to purchase for cash at par for retirement, 9,500 shares of its capital stock of the aggregate par value of \$950,000 from Wisconsin Electric Power Company. Wisconsin Electric Power Company seeks authorization to surrender the bonds and the stock on the basis described.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 46-21675; Filed, Dec. 18, 1946;  
8:55 a. m.]

[File No. 70-1413]

COLUMBIA GAS & ELECTRIC CORP. AND MANUFACTURERS LIGHT AND HEAT CO.

#### NOTICE REGARDING FILING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pennsylvania, on the 12th day of December 1946.

Notice is hereby given that a joint application-declaration has been filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 by Columbia Gas & Electric Corporation ("Columbia"), a registered holding company, and by its subsidiary, The Manufacturers Light and Heat Company ("Manufacturers"). Applicants-declarants designate sections 6 (b), 9 and 10 of the act as applicable to the proposed transactions.

Notice is further given that any interested person may, not later than December 20, 1946, at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request and the issues, if any, of fact or law raised by said application-declaration proposed to be controverted, or may request that he be notified if the Commission should order a hearing thereon. At any time thereafter such application-declaration, as filed or as amended, may be granted or permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated pursuant to said act, or the Commission may exempt such transaction as provided in Rules U-20 (a) and U-100 thereof. Any such request should be addressed: Secretary, Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania.

All interested persons are referred to said application-declaration, which is on file in the offices of this Commission, for a statement of the transactions therein proposed, which are summarized below:

Manufacturers proposes to issue and sell to Columbia \$1,000,000 principal amount of 3 1/4% installment promissory notes, such notes to be unsecured and non-negotiable, the principal amount thereof to be payable in equal annual instalments on August 15 in each of the years 1950 to 1974, inclusive; interest on the unpaid principal thereof is to be payable semi-annually on February 15 and August 15. The proceeds of such sale are to be used by Manufacturers for the purpose of meeting current obligations resulting from construction activities during 1946.

According to applicants-declarants, the proposed financing is for the purpose of meeting a portion of the expenses of an over-all construction program anticipated to require an aggregate of \$7,000,000 during the years 1946, 1947 and 1948. It is stated that the proposed issuance and sale by Manufacturers is subject to the jurisdiction of the Pennsylvania Public Utility Commission, and this Commission's order of approval will be supplied by amendment.

Applicants request that the Commission issue its order approving the transactions covered by the joint application-declaration in sufficient time to permit the sale by Manufacturers of \$1,000,000 principal amount of notes on or before December 23, 1946 so as to enable the company to meet current construction obligations at varying times during the latter part of December 1946.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 46-21678; Filed, Dec. 18, 1946;  
8:55 a. m.]